# Daily Report

# Latin America

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*FBIS-LAT-91-054* *20 March 1991*

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## San Jose VII Meeting Continues in Managua

### Nicaragua's Dreyfus Speaks

*PA2003011791 Managua Domestic Service in Spanish 1741 GMT 18 Mar 91*

[Speech by Nicaraguan Foreign Minister Enrique Dreyfus at the opening of the San Jose VII meeting at the Olof Palme Convention Center in Managua—live]

[Excerpt] [passage omitted] Delegates: The EEC's assistance for the nations of the Central American isthmus increased in the 1980's. That increased European aid was the result of the successive San Jose I through VI foreign ministers' meetings. Bilateral and regional aid increased from an annual average of $54.7 million during the 1983-86 period to an annual average of $113.2 million during the 1987-90 period. That represents a doubling in aid.

That increase determined a relative diversification for sources of cooperation channelled to Central American countries, because during that period total EEC cooperation for Central America increased from 5.7 percent to about 11 percent. Total EEC aid to Central America, however, represents 0.0019 percent of total 1989 GNP of all the member states.

With the official bilateral aid of the countries that comprise the European Communities, the proportion of such aid channelled to the region between 1984 and 1988 remained virtually stable at 1.2 percent of total cooperation offered by EEC member countries. Most of the European aid went to developing countries linked to the Communities—which is normal—to the signatories of the Lome Accord, to some other countries located in the meridonial and eastern Mediterranean area, and, in the past few years, to the African continent, and within that area, to the countries of the so-called Sub-Saharan region. Those areas have received 42 percent of the total cooperation of the Communities. The Communities helped to find solutions to the regional crisis based on the principle that the repeated political and military conflicts that are taking place were at least partly caused by a lack of social justice.

Therefore, it shared the conviction that the economic and social development of every Central American country was the most appropriate path to progressively achieving political detente and stability and that, in a framework of respect for democratic freedoms and human rights, the conflicts could be overcome through dialogue, and not force, among the nations of the region.

In that same train of thought, the European cooperation was mainly concerned with the preservation and deepening of the economic interdependence among countries through a process that would reinforce the efforts to achieve political detente.

The economic integration, which had shown its positive stages in the sixties and seventies, was supposed to be confirmed as the expression of a Central American identity, with unity and cohesion as important attributes, from different points of view.

The confluence of critical factors in the economic and social phases, clouded the effectiveness of that overall outlook. In the late eighties, the crisis was intensified. The crisis was not homogeneous and varied from country to country, but covered the region as a whole. It caused a marked decrease in per capita income and the investment processes, loss of dynamics and a standstill in exports, a weakening of the integration program, an increase of unemployment, and a worsened underemployment situation.

Seventy percent of the population lived in poverty, and 50 percent lived under conditions of extreme poverty, while 10 percent of the Central American population leave their countries of origin.

Today, three out of every five Central Americans live in poverty; two out of every five cannot even satisfy their basic needs for nourishment; three out of every 10 Central Americans cannot read or write; one out of every 10 children in the region dies before reaching five years of age; two thirds of the surviving children are malnourished.

The beginning of the current decade is characterized by that acute economic and social crisis and by the existence of new conditions that modify and force us to reflect on the guidelines on which the cooperation from the EEC will be projected on the Central American countries.

The new chapter that has been opened for the EEC's cooperation in the region, in accordance with the original promise, is based on supporting the political advances in Central America and helping transform them into creative energy for a larger and more democratic economic and social development.

We would like to announce the Central American governments' firm wish that those relations will be increased in a significant and effective way in all regards.

We hope that relations will be further developed:

—By emphasizing the presence of the EEC and its member nations in the strengthening of peace in Central America and the simultaneous strengthening of democracy;

—By technically and financially supporting the regional integration organizations, institutions, and mechanisms that already exist, or those that are being formed, in accordance with the guidelines established at the Central American presidents' meetings;

—Through the direct intervention of the EEC and its member nations, so that creditor countries, before financial institutions in general, adjust the amount and payment of services of each of the countries' foreign debt to their real capacities;

—By prompt and effective collaboration to develop programs and projects aimed at rapidly increasing the six countries's production of goods for export to markets in industrialized countries, particularly European countries, at the same time that the EEC and its member countries open their markets to Central American exports, including manufactured goods, without surcharges because of their condition and based on the extension of a special and preferential treatment for Central American countries.

We believe that an effective and timely aid from the Communities must be focused on the following topics:

1. The consolidation of peace in the region especially requires the following:

A. Supporting with financial and human resource a process of improving the operation and level of efficiency of national branches, especially of the judicial branch. Strengthening the judicial branch has special significance for institutional progress in our countries in guaranteeing a legal state and respect for human rights, as well as the development of democracy.

B. Supporting the design and operation of regional peace education programs by giving special emphasis to education and dissemination of human rights matters and the intrinsic values of peace.

C. Encouraging and supporting the objectives announced by the Central American presidents and firmly advancing toward achieving a reasonable and effective balance of forces in the region. The implementation of these objectives implies an orderly occupational reorganization program.

D. Supporting programs to fully reincorporate rebel forces into civilian and productive life.

2. Support for regional integration programs. That mainly implies the supply of financial resources for:

A. The strengthening of the regional integration of organizations and institutions, especially those of SIECA [Secretariat of Central American Integration], the Central American Bank, the Secretariat of the Central American Monetary Council, and [word indistinct], among others.

B. The simultaneous implementation of the two main objectives of the new regional integration strategy of easing the introduction of the regional economy into the mainstream of international supply and demand while strengthening the economic integration of the Central American isthmus.

3. Support for the stabilization and the economic and social development of the region implies giving preferential treatment to the design and development of programs and projects aimed at achieving the fulfillment of each country's objectives within the structural adjustment programs. The modernization of the productive apparatus including the reorganization of industrial plans and technical training of workers to ensure that the entire economic system will respond to the optimal potential of the extraordinary human resources of the region.

B. [as heard] Design and implement social projects to cushion the impact of structural adjustment programs on the weakest segments of our Central American society.

Within that same framework, preferential treatment must be given to the promotion of small- and medium-sized enterprises and food programs. Achievement of a substantial increase in the value of exports to extra-regional markets in the shortest time possible.

4. As part of the assistance to implement the new regional economic order, there is special need to promote and support, with human and financial resources, the design and instruments dedicated to the reforestation of hydraulic basins of geographical areas where intensive cultivation has produced desertification.

Implementation of national and multinational environmental protection and upgrading programs. Intensification of the search and exploitation of pure electric energy sources such as geothermical energy. The research and protection of environmentally important areas of Central American seas.

A more complete numbered list could not omit, for example, the areas of science and technology, promotion of tourism, agricultural development policies, and the special conditions and support for the countries facing a deficit in the Central American exchange.

The issue of trade.

The following areas would be designated as priority by EEC cooperation: In keeping with the Central American objective of achieving a greater access to international markets, it is crucial to discuss at length—within the framework of the cooperation offered by the Communities—the trade issues and objectives that will bring about a sustained march toward the liberalization of trade between the two regions. [passage omitted]

## Conference Declarations Reported

*PA2003044091 Paris AFP in Spanish 0308 GMT 20 Mar 91*

[Text] Managua, 19 Mar (AFP)—The following are the most important points in the political and economic declarations approved at the "San Jose VII" ministerial conference on political dialogue and economic cooperation between the EEC, Central America and Panama, and the Group of Three (Colombia, Mexico, and Venezuela), which was held on 18 and 19 March in Managua.

**Political Declaration:**

**Peace Process:**

The ministers acknowledged the United Nations' important contributions to the peace process, and encouraged

its secretary general to continue his efforts on behalf of national reconciliation among the region's countries. They likewise underscored the OAS' active participation in areas of vital importance to Central America's pacification and democratization.

The ministers pointed out that "the full implementation of the Esquipulas agreements is the best option to achieve a lasting solution for Central America's problems." They "once again urged all involved to seek a peace agreement among the region's nations—which are currently confronting actions by unconventional groups—by adopting specific measures to achieve a total cease-fire." The ministers reiterated their summons to the unconventional forces operating in the region to join the institutional processes and live peacefully in their respective countries.

**Integration and Development:**

The ministers called upon the region's governments to promote and broaden the economic, social, and security conditions that are required for integration, and "to end all armed actions against the civilian population." The ministers reiterated the importance of increasing economic cooperation between the EEC and Central America as a means of strengthening the region's economic integration and supporting its economic development and its social progress with a view to greater political stability.

**El Salvador:**

The ministers expressed satisfaction over the continuing negotiations, a decision made in Geneva on 4 April 1990, which has led to meetings in Venezuela, Mexico, and Costa Rica over the past 11 months. The purpose of the negotiations is to improve the dialogue and, thereby, achieve an agreement that will end the armed conflict in El Salvador and lead the members of the FMLN [Farabundo Marti National Liberation Front] to live peacefully in their country, in an atmosphere of mutual security and respect for human rights. Within that perspective, the ministers congratulate each other for signing a human rights agreement on 26 July 1990 in San Jose between the Salvadoran Government and the Farabundo Marti National Liberation Front.

"In keeping with their objective of ensuring respect for human rights and their 16 November 1990 declaration, the EEC ministers welcomed the Salvadoran Government's commitment to redoubling the efforts it has made so far to complete the investigations into the murder of six Jesuit priests and two of their workers to determine criminal liabilities in that murder. That would constitute an important step toward strengthening the independence of the judical branch in that country and effective respect for human rights and the democratic nature of the elections, which are key elements of all democracies."

They express their unreserved support for the efforts being made by the UN secretary general and his personal representative in the Salvadoran dialogue; recognizing the importance of the efforts by the group of countries who are friends of the secretary general; expressing their will to support the actions undertaken by the United Nations to guarantee and confirm the end of the hostilities, respect for human rights, and the democratic nature of the elections.

**Nicaragua:**

The ministers underscore that it is important for all political and social forces in Nicaragua to contribute to the stability of democratic institutions and national reconciliation through fruitful dialogue. Inspired by that spirit, they underscore the efforts that led to the consensus agreements reached on 26 October 1990 to consolidate democracy and promote stability and economic and social development in the country. They also praise the efforts of the Nicaraguan Government, in compliance with the objectives of the Central American Security Commission, that have already led to a significant reduction in military units.

The ministers support the call on the international community at the Puntarenas summit to implement an emergency plan that is in line with the special situation experienced by Nicaragua, that will secure immediate solutions for the problems it faces, and will bring about economic and social reconstruction. The ministers confirm that they will maintain their support for the economic development of that country by following the line of the actions that the EEC has already implemented.

**Guatemala:**

The ministers welcomed the progress achieved in Guatemala since the Oslo agreement between the National Reconciliation Commission and the URNG [Guatemalan National Revolutionary Unity] to promote direct talks between the government and that organization.

**Human Rights:**

The ministers underline the need to ensure genuine respect for human rights and express their joint concern over the still unsatisfactory human rights situation in specific countries of the region.

The ministers acknowledge the value of the efforts made to correct this situation and point out that they will continue to make every necessary effort to restore full respect for the dignity of mankind everywhere.

They support the Central American presidents' decision, made at the Puntarenas summit, to create a committee to verify the political commitments made in the framework of the Esquipulas process. The committee is to be made up of Central American personalities well known for their independence and competence and designated by the national reconciliation commissions.

**Central American Parliament:**

The ministers reiterate the importance of creating the Central American Parliament and point out that "a

permanent forum of that sort will represent an important step forward in the region's integration." The ministers are happy that Guatemala, Honduras, and El Salvador have already selected their delegates to that parliament and ask all countries of the region to ratify the parliament's charter.

**Debt:**

The ministers agree that the foreign debt service "seriously mortgages the region's economic, political, and social development." They affirm that "that issue must be settled through the participation of all parties, particularly the creditor countries, the debtor countries, the multilateral financing organizations, and the international private banks, taking into account the need to guarantee economic growth and political and social peace in Central America."

**Economic Communique:**

**Economic and Social Crisis:**

The ministers have observed an aggravation of the economic and social crisis in the region during 1990 due, among other factors, to an increase in the prices of several imported goods, particularly crude oil; the economic recession in some industrialized countries; a decrease in the price of their main export, particularly coffee; the burden of the foreign debt, and the loss of impetus of their productive system. They prevented efforts to overcome the deficits of those countries' balances of payment by increasing the exports of nontraditional products from having the expected effect of improving the economies.

The ministers also agreed that it is evident that efforts are being made by the region to carry out adjustments that will promote the modernization of the productive system and allow for greater capacity for internal and external competitiveness while opening the economy of the region to other countries, thus facilitating its world trade competitiveness.

They expressed their pleasure at the EEC's decision to finance the project of the Special Fund for the Development of Exports in Honduras and Nicaragua. That agreement (worth 32 million European Currency Units) was signed on this occasion.

They advocated a happy conclusion to the Uruguay negotiations, and stated that the results of the aforementioned negotiations should take into account "a differential and more favorable treatment for the developing countries as established in the general agreement and during the Tokyo talks, and as indicated in the Punta del Este Ministerial Declaration."

Within that context, the two parties stressed the importance of tropical products in Central American exports and underscored the importance of reaching satisfactory solutions for those products in accordance with the Punta del Este Declaration.

In the case of textiles, the Central American side stated the need to keep in mind, within the multilateral framework, the principle of special and more favorable treatment for the countries described as small suppliers.

The Central American ministers insisted before the EEC that this organization expand to the region the special treatment being given to the four Andean countries, stressing the effects that measure would have on the products of the area destined for the EEC markets.

The EEC recalled that "the temporary and exceptional commercial measures being afforded the Andean countries is part of an overall effort of the whole international community to help the countries that have, with determination, undertaken the struggle against the scourge of drug trafficking. [quotation marks as received]

The Central American side expressed its concern for the possible drop in banana exports once the single market is instituted, and reiterates its request to the EEC that the organization proceed with the complete liberalization of that product compared with GATT.

The Community, which has yet to define its position on the system it will apply to the Community's banana imports in light of the possibility of a single market, recalled the commitments made at the San Jose VI conference in Dublin, according to which it will take into consideration the interests of the countries of the region when it adopts a position.

The ministers reiterated the fundamental and strategic importance of coffee for the economy of the Central American countries, and both parties expressed their concern in light of the fact that, despite the efforts made, the International Agreement on Coffee has been extended without economic clauses.

## El Salvador's Pacas Comments

*PA1903201791 Managua Domestic Service in Spanish 1816 GMT 19 March 91*

[News conference held by Salvadoran Foreign Minister Jose Manuel Pacas Castro in Managua—live]

[Text] [Pacas] Good morning, dear friends. Allow me to greet you and express to you the satisfaction of the Salvadoran Government over the successful completion of this meeting on the political dialogue between the EEC and Central America and Panama, with the endorsement of Mexico, Venezuela, and Colombia as countries cooperating with us.

I think that we have attained important objectives here. One of them is to get the attention of the European countries. We have decided to create a commission that will study the situation of Central American trade vis-a-vis the preferential treatment granted to several Andean countries, in order to help them in their struggle against drug trafficking. However, that measure has

placed some of our products, particularly coffee in El Salvador's case, at a competitive disadvantage in the European market.

The European ministers have received feedback on that situation and the commission will study it in order to look for a solution in the near future.

Meanwhile, in the political arena, we are satisfied with the support received for the continuation of the peace process, within the context of Esquipulas II. We are also happy with the efforts made by the ministers to ensure that the irregular forces still operating in the region can join the peaceful and democratic life. The call made by the ministers of the EEC to end all armed actions against the civilian population is very important for us.

These are a couple of points that I wanted to highlight. Another very important point is the support given by the EEC, other Central American countries, and countries cooperating with us in the efforts undertaken by the UN secretary general, Dr. Javier Perez de Cuellar, and the Salvadoran Government to find a political solution to the internal conflict of our country. I think that these points are very important for our country, because, as you all know, it has been a basic policy and a priority task of the government of Salvadoran President Alfredo Cristiani to end, as soon as possible, the internal conflict in our country, which has lasted for more than 10 years. These are the points that I wanted to stress. I am now happy to take any questions that you may have.

[Unidentified moderator] Mr. Ernesto Garcia.

[Garcia] Mr. Foreign Minister, we would like to know if the Salvadoran Government delegation has had any contact with the delegation of the FMLN [Farabundo Marti National Liberation Front], either through your counterparts or the representative of Mr. Perez de Cuellar, who is also attending this meeting?

[Pacas] The purpose of this meeting was to hold talks with the European countries represented here, and of course, with our Central American brothers, as well as with the delegates from Colombia, Mexico, and Venezuela, chiefly because of their status as friends of the UN secretary general and because they are helping to make the dialogue reach a successful conclusion. A meeting with FMLN representatives was at no time scheduled and no meeting was held. The meetings with the FMLN are carried out within a program handled by and coordinated with the UN Secretary General Representative Alvaro de Soto.

[Moderator] Here is another question by George Rodriguez.

[Rodriguez] I would like to know about the situation regarding the proposal the FMLN submitted to President Violeta Chamorro here on Saturday, 16 March. They said they would circulate it among the participants of the San Jose VII meeting, and I would like to know if that happened and what are your views on the matter?

[Pacas] I really cannot answer if the FMLN proposal was circulated among the participants of this meeting. I think it was not officially circulated because it had nothing to do with the conference. If it was circulated, it was done at the initiative of the FMLN representatives as private citizens. It could not have been circulated as an official document or something related to the conference.

I would like to make it very clear that, from the first day of his administration President Cristiani proposed a political solution to the FMLN. Within that context, there has been a permanent effort to reach an end to the fighting or hostilities, or whatever you want to call it, as soon as possible. In fact, the Geneva agreement that contains the framework for the talks that are held with the FMLN, mention that as a chief objective.

Therefore, the government has been promoting the dialogue process. It has wanted, wants, and will always want the political agreements prior to the end of the fighting to take place as soon as possible. It hopes that now that the FMLN has publicly expressed its support to accelerate that process, that position will be translated into action at the negotiating table. I hope it is not a stance just to win international support. I hope it does not hide a totally radical and inflexible position at the negotiating table.

I repeat and insist that we are interested in it. The Salvadoran people and the government want an end as soon as possible to the bloodshed in the country and the destruction of the economic infrastructure, which the FMLN has been carrying out all these years.

[Moderator] Julio Felipe of NOTIMEX.

[Felipe] Mr. Pacas, FMLN Commander Joaquin Villalobos said today that the FMLN is no longer promoting a military solution, the process of negotiations is irreversible, and the conflict is in its final phase. Can you comment on those remarks?

[Pacas] We definitely believe that the conflict is reaching its final stages. If we reach a cease-fire agreement, that would vitually be the beginning of the end. That is why we would like it to happen as soon as possible. That has been a permanent stand of the Salvadoran government, but owing chiefly to the special circumstance that is taking place in the dialogue process, we do not want it to be a proposal to sway the Salvadoran people.

On other occasions, when the dialogue process has been on the verge of reaching fundamental decisions, the FMLN has interrupted it or taken steps to delay making decisions. I repeat and insist that the Salvadoran Government has an interest in ending the conflict, chiefly through the cease-fire, which is the first phase. The next phase would be the FMLN's demobilization, as well as international verification.

[Moderator] We can only have two or three more questions, because the foreign minister has to leave. One will be for Costa Rica's Channel 4 correspondent, the other

for [name indistinct] Denis of ACAN-EFE, and Maria Luisa Talavera of newspaper BARRICADA.

[Reporter] The FMLN commanders said that in order to continue the talks, one must start from the premise that there is a standoff between the military and the rebel forces. They stated that the dialogue must continue based on the premise that neither the military forces nor the guerrillas can be annhiliated. Does the government have the same view?

[Pacas] The Salvadoran Government absolutely and flatly rejects that FMLN idea. There is no such standoff. The president decided to seek a political solution to the conflict, first, because the Constitution mandates him to seek social harmony. Also, as there is room for political maneuvering by any person, regardless of his ideology, to establish a political party and from there submit his options to the Salvadoran people—so that the people can exert their sovereign right to decide at the polls the kind of leaders and system they want—and because the climate and the political reality exist in El Salvador, there is no justification to continue ending precious human lives in our country.

That is why the stress was put on a political solution. We want a political solution; war is an aberration, and we do not want a military solution. That does not mean there is an impasse in the republic. Any violent solution would have a very high cost. To continue the war means unnecessary bloodshed. That is why the president's plan to seek a political solution continues, as he announced on the first day of his mandate. To be sure, the FMLN has the ability to cause destruction and commit acts of terrorism.

That, of course, does not include its great effort carried out in November 1989 when it managed to partially paralyze San Salvador for approximately three days. The FMLN is in no condition to defeat the Armed Forces or to disrupt the life of the republic, as it has not been able to do so during these ten years, except for those three days when the conflict reached its greatest intensity.

[Moderator] Mr. Denis, will you ask the question quickly because the foreign minister has to leave.

[Denis] The Salvadoran Government said that the military topic was 95 percent exhausted. Now the FMLN insists that one of its principal points is to discuss the topic of the Armed Forces, constitutional amendments, and a cease-fire. What opinion do you have about that fundamental topic raised by the FMLN?

[Pacas] Regarding your question, I can say that, in fact, the topic of military reforms has been discussed exhaustively at the negotiating table and is in its final stage prior to the agreements. The constitutional amendments are foreseen if the political agreements reached demand a constitutional amendment. Thus far, no specific agreement has materialized that would demand a constitutional amendment. Third, regarding the third part of your question, that is, an end to the military confrontation or cease-fire, work has been carried out with UN experts and the Salvadoran Government has had a proposal since June of last year on the topic. None of the three topics mentioned by the FMLN are new—they are on the Caracas agenda and are points of reference in the conversations.

[Moderator] Mrs. Maria Luisa Talavera.

[Talavera] Mr. Foreign Minister, you say that you deny emphatically that there is a military stalemate in El Salvador. The guerrillas, nonetheless, insist there is a military stalemate and that a cease-fire must be reached based on that reality. It gives one the impression that that is where the thorny problem exists in the negotiations. Also, when will the talks resume between the government and the guerrillas.

[Pacas] It is logical that the guerrillas should try and promote their points of view so as to try and get the maximum return at the negotiating table. That does not necessarily mean that is what is actually taking place in El Salvador. The guerrillas do not control and have never controlled any part of the national territory. The Armed Forces are capable of being present anywhere in the national territory. Logically, we do not have the capacity—the number of troops—to have military detachments at each and every settlement in El Salvador. What is happening is that in certain areas where the guerrillas' presence is persistent the Armed Forces arrive on the spot and the guerrillas withdraw, only to return after the Armed Forces depart. That does not mean the guerrillas exercise any control, that they have any territory under their control, or that they have control over any authority. That is absolutely false. The republic's government exercises its jurisdiction and authority to the very last corner of the country.

To conclude, I want to clarify that the talks have never been suspended. The talks continue, and new work mechanisms have been adopted that include private talks without publicity. They are taking place and will continue to take place.

[Moderator] Many thanks. Good morning.

## Spanish Minister on Results

*LD2003091991 Madrid Domestic Service in Spanish 2300 GMT 19 Mar 91*

[Text] The seventh European-Central American meeting has ended in Managua, the Nicaraguan capital, with a declaration in support of democracy and development. The European Community has promised an increase in aid to the region. Spanish Minister of Foreign Affairs Francisco Fernandez-Ordonez, who attended the meeting, has announced that Spain will try to be present as a plaintiff party in the trials of Army officers for the murder of the Spanish Jesuits in El Salvador. There is a

report on that from our special correspondent in Managua, Jose Manuel Martin Meden:

[Begin recording] [Martin Meden] Fernandez-Ordonez considers very important the decision by the EEC announced in the final declaration of this seventh European-Central American conference on studying the possiblity of applying to Central American exports the same preferential treatment now given to the Andean countries in their programs to replace the coca crops.

[Fernandez-Ordonez] There is a decision to extend to Central America the treatment given by the Community to the exports of the four Andean countries. What has been approved, exactly, is that the commission should draw up an assessment of the impact that the advantages given to the Andean countries could have on the exports from Central America, which are being affected. It should study that. Moreover, we agreed that it should say that the commission will propose the urgent adoption of trade measures to alleviate the negative effects for exchanges. Finally, we approved a paragraph that says that the Council of Ministers should study the proposals in a favorable light. We have covered a lot of ground here.

[Martin Meden] Here in Managua the minister of foreign affairs announced to Madrid radio that the Spanish state will be represented at the trial of the Army officers accused of the murder of the Jesuits from the Central American University of San Salvador if Salvadoran law permits.

[Fernandez-Ordonez] What I have said is that Spain wants, if possible, to be a party to the trial. In the event it is possible, I would refer to the Spanish Council of Ministers to carry out the necessary formalities, because it is one thing to be an observer at a trial and another thing to be a party to the trial. That is what we would like. [end recording]

### Optimistic About Cease-Fire

*PA1903154491 Panama City ACAN in Spanish 1321 GMT 19 Mar 91*

[Text] Managua, 19 Mar (ACAN-EFE)—After meeting with Salvadoran Government and guerrilla representatives in Managua on 18 March, Spanish Foreign Minister Francisco Fernandez-Ordonez expressed optimism about the possibility of a cease-fire agreement being reached in El Salvador soon.

"We are at a decisive and favorable moment for talking about the beginning of a cease-fire agreement," Fernandez-Ordonez said when commenting on the cease-fire proposal presented by the Farabundo Marti National Liberation (FMLN) in Managua yesterday. The Spanish minister added that the negotiation to end the 10- year civil war in El Salvador "may be at a decisive phase."

The Salvadoran guerrillas proposed that a cease-fire be agreed to before 30 May. This is the first time that the FMLN has agreed to halting the hostilities without the conclusion of negotiations on other points, particularly the reform of the armed forces.

Fernandez-Ordonez viewed the FMLN's proposal as positive after meeting separately for three hours with guerrilla leaders and Salvadoran Government representatives. The meeting was also attended by the foreign ministers of Colombia, Mexico, and Venezuela, who are visiting Managua for the EC and Central America conference.

The four foreign ministers also met with Alvaro de Soto, representative of UN Secretary General Javier Perez de Cuellar in the talks between the Salvadoran Government and the guerrillas. Fernandez-Ordonez said the ministers expressed to De Soto their decision to "support the negotiations to the utmost."

Salvadoran President Alfredo Cristiani said yesterday that "if the proposal is not just mere words, we view it as positive," and his minister of the presidency, Oscar Santamaria, said as he left the meeting with the four foreign ministers that "a cease-fire is closer than ever."

One of the points in the FMLN proposal calls for international verification of a cease-fire.

Nevertheless, the Spanish foreign minister warned that "some points (in the proposal) create considerable problems," referring in particular to the FMLN's desire to affirm its presence on part of the Salvadoran territory at the time of the cease-fire.

The FMLN proposed that "the existence of geographic areas defined by the various degrees of control by the contending military forces or by the social, political, and economic realities created by the war" be taken into account.

### Group Supports Reconstruction

*PA2003031891 Panama City ACAN in Spanish 0134 GMT 20 Mar 91*

[Text] Managua, 19 Mar (ACAN-EFE)—Colombia, Mexico, and Venezuela, who are members of the "Group of Three," today reaffirmed in Managua their interest to "unilaterally and reciprocally" open their markets to Central American products to support that region's reconstruction.

At the closing of the San Jose VII meeting of foreign ministers of Europe, Central America, Panama, and the Group of Three, the members of the latter issued a communique expressing their wish to continue participating as "cooperators" in the international effort to promote the isthmus' economic development.

The three Latin American nations are supporting regional projects to modernize the electric interconnection system and mechanisms to increase and accelerate the entry of the region's products into the Group of Three markets.

"Venezuela is about to implement mechanisms in that direction and will probably do so very soon," the communique states.

The three Latin American countries expressed their full supprt for the meeting's final resolution in which the EEC committed itself to giving "greater access for Central American products to European markets."

Colombia, Mexico, and Venezuela, who along with Spain comprise the "group of friends of the UN Secretary General" Javier Perez de Cuellar, also support the negotiations between the Salvadoran guerrillas and government to put an end to the war that has claimed more than 70,000 casualties in the past decade.

The Farabundo Marti National Liberation Front on 16 March in Managua proposed a cease-fire to the Salvadoran Government before 30 May.

### Dreyfus, Matute Statements

*PA2003022591 Managua Domestic Service in Spanish 2148 GMT 19 Mar 91*

[Statements by Nicaraguan Foreign Minister Enrique Dreyfus Morales and EEC Commissioner Abel Matute at a news conference held by Dreyfus, Matute, and Jacques Poos, president of the EEC Council of Minister, at the San Jose VII ministerial meeting's closing ceremony in the Olof Palme Convention Center in Managua—live]

[Text] [Dreyfus] [Passage indistinct] Rather than extending myself with too many words, I am going to try and summarize the economic and political achievements of this meeting, which are the result of a week of intense work. The meeting has culminated with the presence of the most distinguished members, foreign ministers, and deputy foreign ministers of the EEC, Central America, and the group of three formed by Mexico, Venezuela, and Colombia.

Among the economic achievements, I wish to mention the EEC's acceptance of the Central American request for greater access to European markets for their products. The EEC has given its support for and expressed the importance of increasing economic cooperation in an attempt to strengthen the regional integration of the five Central American countries and Panama. It also expressed its support for the implementation of plans aimed at lessening the social impact that the economic adjustment and stabilization plans have on the people. It has stressed the importance of developing cleaner energy sources. It also reaffirmed its willingness to contribute to the success of the Special Economic Cooperation Programs for Central America, known as PEC. The EEC supported the call made to the international community to implement an emergency plan that will contribute to the solution of the special situation Nicaragua is experiencing. The EEC also praised the upcoming meeting to be held in Washington on 25 March 1991 to discuss a bilateral and singular problem that Nicaragua has with the international institutions. Likewise, the Special Fund for the Development of Exports agreement was signed. That agreement will benefit Honduras and Nicaragua. The EEC will study the possibility of helping El Salvador and Nicaragua with programs that will create job sources. That will be the EEC's way of contributing to the reinsertion of the demobilized unconventional forces into the country's economic life. The EEC has reiterated its commitment to cooperate in actions that will help refugees, those who have been repatriated, and those who are displaced.

In the political field, the ministers supported the Central American Declaration in which the presidents declare Central America a zone of peace, freedom, democracy, and cooperation.

The EEC ministers are willing to support cooperation projects that will respond to the need to cope with problems related to drug trafficking.

The EEC will consider the possibility of collaborating with programs aimed at establishing agreements, creating legislation, and modernizing immigration-related laws; it will support the concerted agreements that have been or may be carried out within the Central American area. The EEC ministers expressed their resolve to support Central America's efforts in favor of education for peace; it expressed the resolve to strengthen the cooperation it will provide to improving the functioning of the national branches, especially the judicial branches in each of the Central American countries.

The EEC ministers agreed to establish annual programs to promote human rights in Central America. They acknowledged the progress made by the Central American Security Commission. The EEC ministers expressed the desire to support [Nicaragua's] UNO [National Opposition Union] and the OAS as part of their Central American cooperation plan, on issues involving regional security. They reiterated their pledge to provide technical and financial aid to the Central American [words indistinct]. The EEC ministers acknowledged the importance of the new initiatives for Central America.

I believe that it would have been impossible to execute an agenda like this one, had it not been for the Central American brothers' determined resolve to act as a region, and had it not been for the resolve displayed by the EEC's 12 members, who with their stores of experience on issues such freedom, peace, democracy, and development, have decided to contribute to the success that Central America desires for the region.

I could continue expressing Central America's gratitude for several more minutes, but instead I will only repeat a statement that I made at a private meeting a few minutes ago: We the Central Americans attempted to honestly, realistically, and humbly portray that which we believe should be the future of foreign cooperation between our two regions.

The achievements that I have outlined would not have been possible had it not been for the EEC's extraordinary

resolve and sensibility regarding the responsibilities that it will assume in the new world that is being planned for the year 2000.

Having said that, I will yield the floor to EEC Commissioner Abel Matute.

[Matute] Mr. President, dear colleagues and friends: Very briefly, because the president has just presented an extensive report, in the name of the commission I want to express our satisfaction with the hospitality that the Nicaraguan people and government have extended to us in the person of Foreign Minister, and my dear friend, Enrique Dreyfus.

These periodic San Jose meetings, whose seventh session we are now closing, are an excellent manifestation of the intensified and improved economic and political dialogue beteween the EEC and Central America. This dialogue has not only overcome all the difficulties that the session has encountered but has emerged reinforced and strengthened. San Jose VII is good evidence of that. Why? Once again, the dialogue has served to help us know each other better and to affirm the EEC's willingness to contribute its bit to the great topic of reconciliation among the Central American people, who have made remarkable strides, particularly in the past few months. At the same time, we are hopeful about a brighter future. We have examined cooperation in recent years and confirmed how much has been done. This event has also helped us realize how much remains to be done. We have set up goals for the future, not only in the fields of political dialogue and cooperation, but—more important perhaps for Central America—we have also implemented measures to strengthen the outside sectors of the Central American economies, thus contributing to the strengthening of Central America's productive structures. This meeting in Managua has also helped us observe how far the Central American people have advanced in the deep conviction of the need for integration. History shows that such consideration is more necessary today than ever.

We live in an era of global interdependence. To cite an example, who would have thought only a few years ago, that the recent Persian Gulf developments would have so negatively and clearly affected economies as remote from those lands as those of Central America are. We all realize in what ways and how much they are affected. Because of all this, Managua has opened the doors of hope for us. Central America has shown that it knows how to promote exports to bring about diversification and has given unequivocal signs that it wishes to strengthen its access to stable, secure, and growing markets, such as those of our community markets.

That is why we have made bold decisions. We will consider the new Central American requests about our market. We will help on the intellectual, financial, and operational levels to stimulate Central America's future integration. Economic integration and democratic values and regulations of the market economy are the pillars on which we have constructed the EEC.

The road has been paved for our next meeting in Portugal. There is no room for hopelessness. The relations between the EEC and Central America continue to be as strong as ever. In the race toward a democracy, a market economy, and integration, the Central American countries will always have the EEC on their side in a renewed effort—even an increased effort if necessary—every day. Thank you. [Applause]

## Cuba

### MINFAR Announces Reduced Military Service Term

*FL1903131291 Havana Tele Rebelde Network in Spanish 1200 GMT 19 Mar 91*

[Text] GRANMA newspaper today published a report issued by the Ministry of the Revolutionary Armed Forces which states:

The military service was established in 1963. Since then, over 1 million youths have served the Armed Forces [FAR] and the Ministry of Interior [Minint].

The political, social, and military conditions at the time called for a three-year military service. Over the years, however, institutional measures have been adopted to reduce the duration of military service. An example of this is the reduction of the military service term for up to one year as a means of encouraging those who have maintained excellent conduct, who have successfully fulfilled internationalist missions, or who are fulfilling their military duties under stressful conditions. These benefits, in addition to the opportunity to take preuniveristy courses, have benefited thousands of youths who have achieved military service in compliance with measures number 20 and 18.

The FAR has, moreover, reached a high level of superiority within the framework of the concept of the war of all the people. In view of this, the number of people who have been incorporated in the defense of the fatherland—which, including women, now totals several million—has increased considerably.

Youths summoned to military service have a higher level of education than those who joined the service in the first years. This allows them to more quickly learn the operation of the weapons systems and military techniques. In view of this, the training period can be reduced.

Furthermore, over the next few months, more than 50,000 internationalist combatants will have completed their triumphant return to the country. With their capacity and experience, they will reinforce [words indistinct] take the necessary steps to submit a draft bill to reduce the [period of] military service.

This is also in keeping with the effort the FAR is making to reduce military expenses without undermining the country's defense capacity within the framework of the special period. According to studies that have been carried out over the past few months, to increase efficiency, to adapt structures to new national defense concepts, and decrease expenses, the Armed Forces believe that the military service term may be reduced to only two years.

In so doing, we will achieve a higher level of combat readiness in a shorter time; we will grow increasingly stronger; and our youths, who have unselfishly served the fatherland and the revolution since the establishment of the military service, will be able to dedicate more of their time to work, to study, and to their personal and family activities.

Signed: Minfar.

### 'U.S. Military Action' Worries Solidarity Group

*FL1903205391 Havana Tele Rebelde Network in Spanish 1800 GMT 19 Mar 91*

[Text] U.S. popular and pacifist groups have expressed their concern that Cuba may be the next target of U.S. military action. In a communique distributed at the UN headquarters, the Hands Off Cuba coalition warned that that attack could be covered up by an alleged regional conflict.

The group of people in solidarity with Cuba composed of scholars, journalists, professors, politicians, attorneys, and workers are advocating the cancellation of the blockade against the island and the elimination of the restrictions imposed by Washington such as the one that prevents Americans from traveling to Cuba.

The group will conduct a solidarity with Cuba drive during the entire month of April. It will include an information campaign so that the U.S. public can learn about the Cuban reality.

### Soviets Cast Absentee Votes in Referendum

*FL1903223491 Havana Radio Reloj Network in Spanish 2033 GMT 19 Mar 91*

[Text] Some 82.2 percent of the Soviet citizens who work or live in Santiago de Cuba have voted in favor of maintaining the Union during the referendum convened by the Supreme Soviet of the USSR. (Viktor Sovialof), CPSU secretary of the Soviet Consulate in Santiago de Cuba, Gramma, and Guantanamo, reported that 152 Soviets citizens voted, and 125 of them casted positive votes during the referendum held this past Sunday. This figure includes consulate members, advisers, permanent residents in Santiago de Cuba, and 11 Soviet collaborators in Gramma Province. In Guantanamo, 39 Soviet citizens came to the polls, and of these 34 also voted in favor of the Union. (Sovialof) thanked the Cuban Communist Party and other organizations for their assistance in carrying out the process.

## Antigua and Barbuda

### Details of Prime Minister's Cabinet Reshuffle

*FL2003014591 Bridgetown CANA in English 2218 GMT 19 Mar 91*

[Text] St. John's, Antigua, March 19, CANA—Rebel Minister Hendy Simon said Tuesday he was still considering his political future, amidst reports that a rebellion against elderly Prime Minister Vere Bird Sr. was over. "It's definitely likely that I will hand in my resignation tomorrow," he told CANA.

Simon, junior minister in the Ministry of Economic Development and Tourism, was one of three ministers who told CANA last weekend they would resign over differences with the prime minister. The others were Lester Bird—the prime minister's son—and Hugh Marshall. They were part of a group of seven that criticised the prime minister's recent brief budget presentation and called for the veteran leader to step down.

CANAradio said on Tuesday that the rebel group had reached a "political accommodation," "with a number of rebelling ministers rejoining the ranks of Prime Minister Vere Bird Sr." The radio arm of the CARIBBEAN NEWS AGENCY reported: "The end of hostilities came today after Governor General Sir Wilfred Jacobs met separately with the 81-year-old leader, and former Deputy Prime Minister Lester Bird."

In a reshuffle announced last Friday, the prime minister had stripped his son of the deputy prime ministership and switched him from the foreign affairs, economic development, planning and tourism ministry to finance. Marshall had been moved from trade to a new Caribbean Affairs Ministry.

CANAradio said that under a new deal the Planning Ministry has been returned to Lester Bird, who still holds the finance portfolio. Former Finance Minister John St. Luce, who resigned recently, has been asked to accept the cabinet post of economic development and tourism minister, the radio service reported. "... Marshall is expected to be sworn in as the new Caricom [Caribbean Community] affairs minister," it said.

Dr. Rodney Williams, formerly a government backbencher, was sworn in Monday as economic development and tourism minister. On Tuesday, he held discussions with senior staffers of the ministry.

Simon told CANA that Lester Bird and St. Luce had been to see the governor general on behalf of the rebel group, but that he had not been informed of any settlement.

## Dominican Republic

### Diplomatic Relations With USSR Resumed 16 Mar

*PA1903165491 Madrid EFE in Spanish 1826 GMT 16 Mar 91*

[Text] Santo Domingo, 18 Mar (EFE)—The Dominican and Soviet Governments resumed diplomatic relations today after a 32-year interruption.

A presidential decree issued today announced that Santiago Cruz Lopez will be the new Dominican ambassador to the USSR. Cruz Lopez, who is currently ambassador to Germany, will remain in that country, from where he will also be in charge of the Dominican diplomatic representation to the USSR.

A note made public today by the Dominican Presidency says that the Soviet Government proposed Vladimir M. Goncharenko, who will have his office in Venezuela, as ambassador to that Caribbean nation.

Diplomatic relations between the USSR and the Dominican Republic, which began in 1939, were suspended in 1959 during the Rafael Leonidas Trujillo Molina regime (1939-1961).

### Editorial Views Renewed Ties

*FL1903195591 Santo Domingo Radio-Television Dominicana Radio Network in Spanish 1600 GMT 19 Mar 91*

["Today's Topic" commentary: "Diplomatic Ties With the Soviet Union"]

[Text] The Soviet and Dominican Governments have decided to resume diplomatic relations. In view of this, the Dominican Government has appointed the Dominican ambassador to Germany as concurrent ambassador to the Kremlin; and the Soviet Government has appointed its ambassador to Venezuela as concurrent ambassador to the Dominican Republic.

This is a very important event particularly because in so doing the Dominican Foreign Ministry is starting a diplomatic opening in a region which up-to-now has been out of its sphere of influence. In addition, it is establishing ties with a power that allegedly upholds ideals opposed to those of the West. Moreover, these bilateral ties are resumed when the eastern world is experiencing great changes in its doctrines, and there is hope for a new stage in international relations.

In sum, the Dominican people have established ties with a Soviet Union that is heading for democracy and is beginning to uphold the ideologies that are the basis of our political system. Nothing could be more hopeful and encouraging.

We convey our best hopes in view of the resumption of Dominican-Soviet ties because we are on the threshold of a new world order which must also encompass the Dominican Republic.

### Balaguer Denies Receiving Extradition Request

*FL1803205591 Port-au-Prince Radio Metropole in French 1700 GMT 15 Mar 91*

[Text] The Haitian Government has not requested the extradition of the former mayor of Port-au-Prince, Frank Romain, from the Dominican Republic. This statement was made by the Dominican President Joaquin Balaguer. The Dominican president said that at a meeting with his Minister of Foreign Affairs Joaquin Ricardo nothing was said on the matter. Balaguer added that all published information on the case was only speculation. Balaguer asserted that if the Haitian Government requests the extradition of Frank Romain, such

a request will be considered and a decision will be made in agreement with national interest and the Dominican tradition.

It is to be noted that on 12 March, Minister of Justice Bayard Vincent asserted that legal action against the former Port-au-Prince mayor who resides in the Dominican Republic was to be initiated at the national and international level. The minister of justice stated that the request for extradition remained unanswered by the Dominican Government.

Furthermore, President Balaguer stated that it was necessary to wait until the political situation in Haiti stabilizes in order to converse with the Haitian Government in an atmosphere of tranquility and order so as to establish the rules to develop relations between the two countries.

## Haiti

### FNCD Senators on Supreme Court Appointments

*FL1803225591 Port-au-Prince Radio Haiti-Inter in Creole 2100 GMT 15 Mar 91*

[Report on a news conference by National Front for Change and Democracy (FNCD) senators on 15 March; place not given]

[Excerpts] In a news conference given this morning, the FNCD senators stated that both the chamber and the government were wrong about the appointments to the supreme court. They asked for an agreement between the Senate and government.

[Begin unidentified correspondent recording] FNCD Senators Jean-Louis Firmin, Turneb Delpe, Jean-Robert Martinez, and Yvon Guislain said that there is no crisis between the Senate and the executive. They acknowledged it is an incident in which on one side, the executive committed a faux pas and on the other side, the senators did not clearly formulate their law. Therefore, there are misconceptions on both sides. The senators believe, all things considered, they are right about the matter. Nevertheless, they think that there is still a possibility for them to maintain good dialogue with the executive. Today, the executive proved its willingness by postponing until Monday the installation of the supreme court judges.

For their part, the senators are looking for a solution by mutual agreement with the executive because their goal is not to block any government decision or block the country. [passage omitted] The senators denied voting the appointments null and void as the press reported. Rather, the senators wrote a note to the executive expressing their disagreement with the decision. They did not invalidate the decision. Indeed such a proposal was made during the debate but no resolution was made at the end of the debate to declare the appointments null and void. [passage omitted]

This news conference was given on behalf of the FNCD block in the Senate, not on behalf of the entire Senate. It is to be noted that the FNCD block is the majority in the Senate. [passage omitted] [end recording]

### Police Task Force Kills, Arrests Zenglendos

*FL1803214591 Port-au-Prince Radio Soleil Network in Creole 1200 GMT 15 Mar 91*

[Excerpts] On 14 March, soldiers from the Anti-Gang and Investigation Service killed a man identified as a zenglendo near the Saint Gerard Church which is next to the Oloffson Hotel [southeast Port-au-Prince]. The people living in the area could not identify this person. They saw him with an gun while a team of Anti-Gang and Investigation Service soldiers were chasing him. [passage omitted]

The struggle against zenglendos continues. Yesterday, police in the Place Jeremie area killed one zenglendo and arrested two others. Two people were injured including a student returning from school who was shot in the back. He was taken to the hospital in fair condition.

## Jamaica

### Manley Praises Bush, Advocates UN Security Role

*FL1903182991 Bridgetown CANA in English 1601 GMT 19 Mar 91*

[Text] Kingston, Jamaica, March 19, CANA—Prime Minister Michael Manley has told American citizens vacationing here that Jamaica applauded U.S. President George Bush for not driving the Iraqi Army back to Baghdad, and upholding the principles of the United Nations under which he acted. Noting that the United States had been criticised for its leniency towards Iraqi President Saddam Hussein, Manley said Bush acted with "great courage and correctness."

A U.S.-led alliance of nations routed Iraqi troops, pressuring Hussein to pull out of the annexed Kuwait. The attack on Hussein started after he ignored a United Nations order to withdraw from Kuwait.

Manley was speaking at the opening of a new hotel, Sandals Ocho Rios on the Jamaican north coast.

He expressed the hope that U.S. peace initiatives would bring about a solution to the problems in the Middle East. He added that because the world was fast becoming a single economic and social unit in which people invested and travelled extensively, the United Nations should develop the security capabilities and mechanisms to deal effectively with any threat to world peace. This, Manley suggested, would be more acceptable than a single nation having to take the initiative.

### Government Closes 18 Mar Refinery in Azcapotzalco

*PA1903152791 Mexico City Red Nacional 13 Imevision Television in Spanish 1300 GMT 19 Mar 91*

[Text] By presidential decision, the installations of the 18 March oil refinery located in Azcapotzalco, one of the most densely populated zones of the Mexican capital, were closed yesterday. President Carlos Salinas de Gortari made the announcement yesterday on the occasion of the 53d anniversary of oil expropriation. Here is a report by Roberto Garduno.

[Begin recording] [Garduno] The 18 March oil installations located in Azcapotzalco were closed permanently yesterday. During the ceremony marking the 53d anniversary of oil expropriation, President Carlos Salinas de Gortari announced the government's decision, which undoubtedly will be one of the cornerstones in the fight against environmental pollution plaguing Mexico City.

[Salinas] Pemex [Mexican Petroleum] has made a serious and responsible proposal. The authorities of the federal district have picked up on the people's demand. Sedue [Secretariat of Urban Development and Ecology] has issued a ruling, based on the law, and has as its major concern the health of the city's inhabitants. The government is ready to impose the most severe measures to protect health and to respond to the social consensus. Our government is committed to the care of our environment and the health and welfare of all our fellow citizens. Therefore, I have instructed the director of Pemex that, effective with the issuing of the Sedue ruling, and as of this afternoon, the Azcapotzalco refinery be closed definitively. [applause]

[Garduno] At the bottom of the Pemex tower in front of the monument of General Lazaro Cardenas, where that 18 March 1938 event was commemorated, President Salinas de Gortari said that the country's sovereignty is not at stake.

[Salinas] On this date, aside from its symbolic nature, we Mexicans are obliged to reiterate our unskirkable commitment to defend and take advantage productively of the legacy bequeathed to us by our forefathers for the benefit of our people. In that enormous responsibility oil will continue to be a bastion of our sovereignty. Its ownership, ratified control, use, and destination are an inalienable faculty and right. Let no one be deceived. The nation's sovereignty of hydrocarbons is not under discussion and is not the topic of negotiation whatsoever.

[Garduno] During the event, in which the will and determination to solve the problem of environmental poliution were expressed, President Salinas de Gortari said that nothing is more important than protecting the health of all citizens. After issuing instructions to the departmental chief of the federal district that, as soon as possible, the land occupied by the refinery be used to create green areas, President Salinas called on the city inhabitants to adopt a new ecological awareness to benefit our children. The ceremony marking the 53d anniversary of oil expropriation, contrary to previous years, was simple and the announcement made by President Salinas received much recognition. [end recording]

### 10,000 Teachers Demonstrate Near President's House

*PA1603011891 Paris AFP in Spanish 0037 GMT 16 Mar 91*

[Text] Mexico City, 15 Mar (AFP)—Some 10,000 teachers, demanding wage increases, and carrying huge pencils and shouting "An eye for an eye and a tooth for a tooth, our wage to the president," staged a demonstration today near the Los Pinos presidential house. The teachers belong to the dissident National Coordinating Board of Education Workers (CNTE) of the states of Michoacan, Chiapas, and the capital. They are demanding a 100-percent wage raise and democracy in the union. The average wage of the teachers, according to the CNTE, is some 600,000 pesos (some $200 dollars) a month.

After noting that it is worth any risk "to defend public education and to struggle for democracy," the CNTE says in a communique that it is ready to intensify its actions.

The teachers are also protesting the government program to modernize education which, according to the CNTE document, will make the teachers "pariahs, with poor salaries, and turn our students into cheap labor."

The demonstration lasted several hours and caused chaos at the main avenues of the capital. It almost reached the point of a confrontation between policemen and demonstrators.

## Costa Rica

### Guatemala's Serrano Denies Meeting With Rebels

*PA1903220091 San Jose Radio Reloj in Spanish 1730 GMT 19 Mar 91*

[Impromptu news conference by Guatemalan President Jorge Serrano Elias with unidentified reporters during a visit with President Rafael Angel Calderon to the Irazu Volcano in Costa Rica; date not given—recorded]

[Excerpt] [Serrano, broadcast in progress] ...for the defense, protection, and respect of human rights. Tomorrow I will consult with the Inter-American Human Rights Institute and the Inter-American Human Rights Court, as there is a meeting of experts, a regular meeting of the board of directors, and a meeting of the court. I have attended many of those meetings as participant and lecturer. Now as president I will ratify what we have always said and defended in theory.

[Reporter] It has been said that you could take advantage of this visit to Costa Rica to hold talks with the Guatelaman rebel leaders or that there could be a future meeting between the Guatemalan Government and rebels in our country. Is that true?

[Serrano] No. We do not know of any (?rebel leader) here in Costa Rica who has requested a meeting. I came to Costa Rica at the invitation of the Costa Rican president to deliver a lecture at the inauguration of a Central American seminar on peace, and to visit the Inter-American Human Rights Institute. I do not intend to meet with them here. They are aware of the Serrano plan. We have proposed holding private talks until a final peace document is drafted, and to sign that final peace document in Oslo at an invitation from the Norwegian Government.

[Reporter] What is the Army's position regarding your plan?

[Serrano] The Army is part of the government, and I am the commander in chief of the Army. All Guatemalans are firmly united in seeking peace. [passage omitted]

### URNG Agrees To Direct Talks With Government

*PA1903222191 Mexico City NOTIMEX in Spanish 1730 GMT 19 Mar 91*

[Text] San Jose, 19 Mar (NOTIMEX)—The Guatemalan National Revolutionary Unity (URNG) agreed here today to begin direct negotiations immediately to secure a definite peace in Guatemala.

Representatives of the URNG General Command told NOTIMEX that the Guatemalan guerrillas accepted the verbal proposal made by President Jorge Serrano Elias at La Paz University of the UN organization.

"We are willing to engage in dialogue to reach a definitive peace agreement at any moment, but first we must negotiate the agreements reached in Oslo" one year ago, a URNG spokesperson announced.

President Serrano said here that his government will discuss all points of the agenda with the URNG to secure peace in Guatemala.

Representatives of the Guatemalan political parties and the URNG agreed last year in Oslo, Norway, on the demilitarization of society, the dissolution of the civil self-defense patrols (PAC), reduction of the Army responsibilities, and a definition by the Armed Forces of its position regarding the negotiations, among others.

Thus far both parties have denied any possibility of establishing direct contact during the official four-day visit by President Serrano to Costa Rica.

The Guatemalan president said he advised the Norwegian Government of his interest in securing peace at a new meeting in Oslo soon. It was in that capital that the negotiations began one year ago, through the National Reconciliation Commission (CNR).

Currrent President Jorge Serrano Elias was part of the comission during the meeting in Norway.

Both the URNG and President Serrano Elias recognized in separate statements that the work of the CNR and of Guatemalan Archbishop Monsignor Rodolfo Toruno, CNR president, had been successful.

## El Salvador

### Cristiani Views U.S. Military Aid Prospects

*PA1903130391 San Salvador Radio Cadena YSKL in Spanish 1223 GMT 19 Mar 91*

[Text] President Alfredo Cristiani has said that U.S. military aid to El Salvador could be used for other things but, he added, as long as the conflict in the country continues, military aid cannot be interrupted. The president insisted that the funds destined for the Army are dependent on the attitude of the Farabundo Marti National Liberation Front [FMLN], which is trying to destabilize the government. Therefore, he reiterated that as long as the FMLN does not join the democratic process, the aid will always be destined for the military sector.

### FMLN Commander on Cease-Fire Negotiations

*PA1903215991 San Salvador Radio Cadena Horizonte in Spanish 1200 GMT 19 Mar 91*

[Text] The Farabundo Marti National Liberation Front [FMLN] has proposed to immediately initiate intense negotiations to reach accords, as soon as possible, leading to a cease-fire no later than one month from now. For this, however, it will be necessary to simultaneously discuss the Armed Forces status and constitutional reforms.

Guerrilla Commander Ana Guadalupe Martinez told this radio station, however, that to mention a date for a cease-fire would be to speculate. She said that the government is expected to initiate intensive efforts for reaching concrete accords in one month:

[Begin recording] [Martinez] The fact that a date has been mentioned for a cease-fire is part of the speculation on the nature of the FMLN's proposal. Specifically, we are proposing to discuss simultaneously the Armed Forces' status, constitutional reforms, and a cease-fire. The Salvadoran people will thus soon learn that the FMLN and the government have agreed on a cease-fire.

[Reporter] Commander Martinez, does this mean that no specific date has been set for the cease-fire?

[Martinez] We have stipulated that an intensive negotiations process must be initiated so that accords on a cease-fire, the Armed Forces, and constitutional reforms can be reached as soon as possible within one month. We hope to discuss these three topics in this period so that accords can be reached. [end recording]

Martinez, who is also a member of the guerrillas' dialogue commission, did not give further details on the rebels' proposal for talks presented in Nicaragua. Speaking over the telephone from Managua, however, she said the government will have to agree that certain areas must remain under guerrilla control, because they have been under this control for several years. She said that, if possible, accords on the three topics to be simultaneously discussed, the Armed Forces, constitutional reforms, and a cease- fire, should be signed within 30 days. A preliminary accord to permit the approval of constitutional reforms by the current Legislative Assembly is expected to be reached by 30 April.

[Begin Martinez recording] The FMLN is proposing to negotiate so that the Assembly can hear the constitutional reforms to be approved as soon as possible and so that a preliminary accord can be reached on 30 April. Then the following Assembly can ratify them. This could lead to a cease-fire. [end recording]

She said that the proposal presented to the government and the United Nations forsees a simultaneous discussion of a cease-fire, a purge of the Armed Forces, and constitutional reforms. The discussions of the three topics could lead to substantive accords. Dr. Oscar Santamaria, head of the official dialogue commission, has rejected the guerrillas' control of specific territory. This could represent an obstacle, Martinez said. She added that the rebels' idea is to speed up the talks so that the current Legislative Assembly can approve the constitutional reforms, which could be an important step toward a cease-fire.

## Negotiations in 'Final Phase'

*PA1903191391 Mexico City NOTIMEX in Spanish 1753 GMT 19 Mar 91*

[Text] Managua, 19 Mar (NOTIMEX)—The Farabundo Marti National Liberation Front (FMLN) said today that the process of peace negotiations in that Central American nation "is in its final phase."

"The path of negotiations is irreversible and we can state that the process is already in its final phase," FMLN leader Commander Joaquin Villalobos said in a news conference in Managua.

This is the first time that the parties involved in the conflict, the government, the guerrillas, and the UN mediator, agree on the possibility of obtaining specific results in the short term.

The Salvadoran Government and guerrillas began negotiations after they signed the Geneva document in March 1990, which laid the groundwork for an agreement that will bring peace to the country.

In April 1990, the government and the guerrillas established the agenda for the talks in Caracas; these talks began in June 1990 in Oaxtepec, Mexico.

The personal representative of the UN secretary general has participated as a mediator in the talks which have been held in Mexico and Costa Rica.

In the last meeting held in San Jose, Costa Rica in February, the two sides did not reach any agreement and the guerrillas accused the government of causing a "real setback" in the negotiations.

The civil war in El Salvador has been going on for 11 years and has caused approximately 75,000 deaths.

## Treasury Minister Alvarado on Strike Situation

*PA1603194691 San Salvador Domestic Service in Spanish 0322 GMT 15 Mar 91*

["Special message to the Salvadoran people" by Treasury Minister Rafael Alvarado Cano; place not given—live or recorded]

[Text] Good evening, people of El Salvador, and especially the public employees. Tonight, I am here to clarify the regrettable situation at the Treasury Ministry. I believe the Salvadoran people, particularly public employees, have a right to know the details of this situation.

First, I believe that all Salvadorans are aware that the government has always had a consistent and responsible attitude with regard to supporting the public employees. At no time have we taken any action that could harm state employees. It seems to me that there are very specific examples and very specific actions that show that the government is committed to improving the working and living conditions of public employees.

We have adopted several measures that had been demanded by state workers for many years, such as: incorporating [incorporacion] retired persons who were in charge of the Treasury Ministry, providing an early retirement program, reforming per diem regulations, and establishing a salary adjustment program last August. In addition, life insurance for public employees has been doubled. There are other clear and specific examples of the government's attitude like those I have just mentioned. The Treasury Ministry has supported implementing these measures for the benefit of all public employees, including Treasury Ministry employees.

We have, however, recently observed certain unfortunately dangerous attitudes by some groups of Treasury Ministry employees. The Salvadoran people should know that, as of 6 June 1989, we have been constantly meeting with members of the General Association of Treasury Ministry Employees [Agemha] and with the various groups of the Treasury Ministry, either individually or in groups, to resolve their various problems; most Treasury Ministry employees know this. We have even gone beyond this by supporting the efforts of other ministries and branches to resolve problems and improve working conditions. We have actively participated in salary adjustment programs in other branches and we have supported improvements in the salary structures of workers from various sectors.

As you can see, we have had a consistent attitude and at no time has it been necessary for any employee of the Treasury Ministry to exert any pressure to obtain an appointment or meet with us to discuss his problems and find solutions. Either individually or collectively we have tried to find solutions to the problems of each and every person who has met with us. Therefore, there is no justification for calling this strike.

We believe we are dealing with people who want to find a true solutions to their problems. Last month we met with these people three times and we discussed a series of problems that were pending resolution; these problems are now virtually resolved. There is practically no point that they have brought up that has not been discussed or considered and that is not in the process of being resolved. After holding a meeting with them on 6 March, where we tried to maintain an atmosphere of work, consensus, coordination, and cooperation between the workers and us, we were surprised to see on the following day how these same people called for a strike despite the fact that we had been working on a new process by which the workers, with their direct participation, were generating administrative reorganization that is new to the government.

People of El Salvador: All of these antecedents justify the government stand not to allow at any time the institutions of the government, security, or stability to be lost due to persons who are probably following other guidelines and trying to hinder work.

We are referring to actions that might have grave repercussions for the national situation. Here we are saying that medicines are in the customhouses, that there are raw materials in the customhouses, and that public employees' salaries are being processed. We avail ourselves of this opportunity to clarify that we have processed only 15 percent of salaries for the first day according to the program, and only 10 percent for the second day. This means that we are experiencing a very critical situation with regard to paying salaries on time.

The government has, however, adopted several measures and it is trying to guarantee that this payment be made prior to the Holy Week holidays. Even though we have implemented several actions step by step, showing that we are flexible, preventing confrontations, and trying to reach solutions, we are worried about seeing that all the steps and actions taken by the government have been systematically rejected by persons who are actually manipulating many public employees within the Treasury Ministry, thus achieving other ends that have absolutely nothing to do with worker demands.

I believe that all the people should know that at no time have we allowed the militarization of ministry installations. On the contrary, all we have done is safeguard the security of public installations, as is done everywhere in the world, to guarantee that employees who wish to work may do so without coercion or pressure from anyone. It seems to us that serious abuses have been committed, yet we have been tolerant. However, tolerance should not be seen as a weakness on our part, from any point of view. To the contrary, we are taking firm and resolute actions to resolve this problem without generating the kind of negative precedents which we do not think should occur in a country that is seeking democracy and peace. We feel that we will never be able to solve any problem under pressure or threat of blackmail in the form of strikes, especially when we are seeking peaceful solutions, consensus solutions, in which treasury chiefs and all management personnel—including departmental and section chiefs—have precise instructions to assist all employees in seeking solutions to their problems.

I do not believe that we will come to an agreement unless those people change their position. We have presented a letter to the association's leadership, in which we have said that we would like to meet as often as necessary, to explain, reiterate, and reconfirm all the points that we have discussed with them, as long as they end the work stoppage, for which there is no justification. In fact, today we opened a new avenue for seeking a solution to the problem by suggesting that they meet with the labor minister, and through that meeting seek to establish a process of mediation and resolution for this problem.

Unfortunately, despite the good-will efforts by the labor minister, for which I personally thank him, his efforts have been fruitless; the members of the board of directors of that association have rejected all proposals for solving the problem. I think it is important for you to know that the points of argument that they broached

before the labor minister—points for which they have been hindering work for the past week—were a wage increase and a solution to the medical-hospital problem for the children of employees. I think that, first, the government has adopted a very clear policy, and we have said very emphatically that wage increases will be given only when they are across-the-board, like those that were decreed in August of last year. We cannot give partial increases to specific groups under pressure. However, we do have an answer with regard to the salary issue, because the Labor Ministry is working on an amendment to its wage law under which most of the ministry workers, if not all, will benefit from this new wage structure. However, this new wage structure has to do with positions, responsibilities, and functions, and is in line with the reorganization that we are carrying out.

Meanwhile, with regard to medical and hospital treatment of employees' children, that problem was solved several weeks ago. It is a problem about which the Agemha has been informed we were going to initiate a solution, but we have not because of delays that were their fault. We therefore believe that there is no reason for those people to continue to act as they have been, and I believe we must all realize that this problem should not have taken on the present proportions. We believe that it should be resolved soon. We are confident that we can arrive at a solution. We are prepared to meet with those people, and I believe that—most importantly—we are ready to come to a prompt solution and control of the situation without any regrettable repercussions or consequences, because we want to guarantee the payment of the wages to all government workers before Holy Week.

I believe this is an important point. Services will be restored. We apologize to the citizens for any inconveniences that they have endured. We urge the people of the Agemha to think things over. We are waiting for them, as soon as they stop hindering the work, to return to their jobs and allow other employees to go to their jobs and provide the services which this ministry is responsible, so that we can truly continue to work in a harmonious manner. In general, they should end the uncertainty for the rest of the government workers and their relatives.

This message is intended to call for prudence, to reach the minds of all the Salvadoran people, and to ask for everyone's understanding.

Thank you very much, people of El Salvador, and a very good night to you.

### Mass Dismissal Considered

*PA1603235891 San Salvador EL DIARIO DE HOY in Spanish 15 Mar 91 p 2*

[Text] The government is considering the mass dismissal of striking workers of the Treasury Ministry with the purpose of bringing activities back to normal in that ministry. The government is also considering paying the public workers their wages before Holy Week begins.

The strikers occupied the office of the Tres Torres building located near Los Heroes Boulevard and staged disturbances, threatening to destroy the equipment and documents.

Riot policemen blocked access roads, and at midday they let all the employees leave. The installations were closed in the afternoon and will not be reopened until Monday with new personnel or with strikers who are willing to return to work under a new contract, ministry sources stated.

The sources added that "tens of positions formerly held by the laid-off strikers, including accountants, secretaries, messengers, and maintenance personnel, are vacant and available to persons who are unemployed or who have recently graduated from technical schools, who are willing not to let themselves be manipulated by the activists of the Agemha [General Association of Finance Ministry Employees]."

Agemha leader Salomon Cuellar told reporters yesterday that he understands that the strikers are causing harm to the treasury, because during the few days of the strike the treasury has stopped receiving at least 300 million colons. He considers, however, that the money "can be recovered." What cannot be recovered is the toll payments estimated at some 40,000 colons daily, he noted.

He stated that a group of U.S. citizens belonging to an organization called the Association of Solidarity With the Salvadoran Workers is taking an active part in the demonstrations.

Ministry officials called the interference of foreigners illegal, adding that they will denounce the presence of these persons to the immigration authorities in order that they be expelled.

### Workers To Resume Work

*PA1903140491 San Salvador Radio Cadena YSKL in Spanish 1200 GMT 19 Mar 91*

[Report by Raul Beltran Bonilla]

[Text] It has been confirmed that the Treasury Ministry workers, who have been on strike for more than a week, will return to work at 0800 today and that the government announced its willingness to hold negotiations with the striking workers. This announcement comes after the Public Works Ministry workers and the ANDES 21 June [21 June National Association of Salvadoran Teachers] had announced they would join the Treasury Ministry workers strike.

Part of the negotiations include the issue of withholding only one day's wages from the paycheck of the leaders of the Treasury Ministry workers. It was also learned late last night that 15 workers who were arrested may be released today by the judge in charge of their case because of the lack of grounds for their arrest on 15 March. According to unofficial information, the police report, and the reports prepared by the Treasury Ministry, legal advisers have no legal validity. The decision

to release the arrested workers today has led to the lifting of the union leaders' call for a nationwide strike.

The small group of workers who already returned to work did not do so on their own, but based on the orders from the union leaders, who told them to return to work so that they could prepare the government workers' payroll. The workers confirmed that if the government does not hold the negotiations, and their list of demands are not met, several ministries, including the Public Works, Health, and Education Ministries, will immediately hold a nationwide strike.

### Agreement Ending Strike

*PA2003031191 San Salvador LA PRENSA GRAFICA in Spanish 19 Mar 91 p 51*

[Communique issued by the government on 18 March in San Salvador]

[Text] The Government of the Republic of El Salvador reports that Treasury Ministry employees lifted their work stoppage at 1130 today.

Following this decision, top officials of the Treasury Ministry and leaders of the General Association of Treasury Ministry Employees (Agemha) held a meeting and reached the following agreements:

1. The employees who were suspended prior to this date for interrupting their work will be suspended for one day without pay.

2. Beginning today there will no longer be a transfer of employees as a disciplinary measure for their participation in the work stoppage.

3. The security forces that are guarding the Treasury Ministry will vacate the building at 0800 on 19 March.

4. As for the employees arrested by the security forces in incidents related to the work stoppage, the ministry officials agreed to gather information on the legal situation of each one of them and discuss with Agemha their situation on a case-by-case basis.

5. The two parties agreed to resume talks on the issues that were already under discussion prior to the work stoppage.

Deputy Treasury Minister Jose Angel Quiros signed the two documents that contain these agreements on behalf of the ministry and Jorge Lopez Galan, Francisco Manzanares, Carlos Luna, and Salomon Cuellar did the same on behalf of Agemha.

[Dated] San Salvador, 18 March 1991

### Ponce Denies Military Involvement in Jesuit Case

*PA2003034091 San Salvador LA PRENSA GRAFICA in Spanish 15 Mar 91 p51*

[Text] "The letter the top command sent to the Justice Ministry on 22 February mentioning that 12 other officers of the Salvadoran Armed Forces could be involved in the Jesuits' case is false."

General Rene Emilio Ponce, defense and public security minister, made that statement yesterday, referring to THE WASHINGTON POST report written by Al Kamen, which hinted that 12 officers were implicated in the case.

The official said a letter was indeed sent to Rene Hernandez Valiente, justice minister and chairman of the Investigatory Comission of Criminal Acts [Comision Investigadora de Hechos Delictivos], "owing to our irrevocable intention of contributing to the clarification of these murders in which the military institution has no responsibility at all in its planning and execution."

To be precise, he mentioned that the top command had asked the Justice Ministry to expand on the remarks and testimonies of the officers on duty at the Military School and the National Intelligence Directorate in November 1989.

Gen. Ponce reiterated that the report on the involvement of 12 other officers is totally inaccurate, as the aforementioned news report stated in a distorted manner.

Gen. Ponce made this clarification for the sake of the truth and again expressed "the objective of the Armed Forces, as an institution, of contributing to effectively carry out justice in this case."

## Panama

### Homeless To Demonstrate at U.S. Embassy, Palace

*PA2003123591 Panama City Radio KW Continente in Spanish 1203 GMT 20 Mar 91*

[Text] Representatives of El Chorrillo homeless have stated the government is solely to blame for the fact that their problems have not yet been resolved. For that reason, they have decided to stage a demonstration on 20 March whose final destination will be the presidential palace or the U.S. Embassy.

### Endara Says Wife Entitled To Express Opinion

*PA1903163791 Panama City ACAN in Spanish 2056 GMT 18 Mar 91*

[Text] Panama City, 18 Mar (ACAN-EFE)—President Guillermo Endara said today he does not agree with those who think that his wife, Ana Mae Diaz de Endara, 24, should remain "hidden in the kitchen of the presidential palace," and refrain from giving her views on the performance of the ministers.

Replying to the panning by the local press of his wife, Endara told a group of reporters that "she is a citizen and is entitled to give her opinion." "I may not agree with her, but she can criticize me also, if she likes, because it is not true, as some say, that she should stay in the kitchen of the presidential palace," he added.

Mrs. Endara's recent disparaging remarks about the cabinet ministers, whom she blamed for the deterioration of the president's image, prompted editorials in several newspapers, one of which compared her to Zulema de Menem, wife of the president of Argentina.

Ana Mae Diaz de Endara advised the ministers to work harder and talk less, using words that critical editorials described as "arrogant and out of place." Commenting on this matter, the president said, "being the scapegoat for others, being blamed for the mistakes of others, is one of the hardships of being president in Panama or anywhere in the world."

In addition, his wife said she does not lose sleep over the criticism by the newspapers because "I have the support of the people." "I think that the people feel at long last that they have a first lady, who happens to be a part of them, serving as a bond between them and high-ranking officials."

"If the ministers do not take these remarks as insults and get to work in earnest, then the people will have achieved their objective," the president's wife noted.

## PRD Chooses New National Executive Council

*PA1903233991 Panama City LA PRENSA in Spanish 10 Mar 91 p 1*

[Article by Zoila Rodriguez Jovane]

[Text] Without fraud, meddling by the military, and without alcohol, the Democratic Revolutionary Party (PRD) yesterday held, for the first time in its history, a democratic election during which Legislator Gerardo Gonzalez was elected president. The results of the elections during which 222 delegates of the 300 at national level cast their votes are as follows: businessman Tomas Gabriel Altamirano Duque, vice president; Ernesto Perez Balladares, secretary general; Michael Doens, first deputy secretary; and Francisco Sanchez Cardenas, second deputy secretary. The outgoing members of the National Executive Council (CEN) promised to make the PRD the winning party in the general elections to be held in 1994.

In his outgoing speech, Carlos Duque, former presidential candidate for the National Liberation Coalition (Colina), said that he felt proud of the members of the Dignity Battalions [batalloneros] and of the Committee for the Defense of the Fatherland and Dignity [Codepadis], and that the increase in crime is due to the absence of the Defense Forces, which were dismantled following the 20 December 1989 U.S. intervention.

Gonzalez, former negotiator of the Torrijos-Carter Treaties, former minister of commerce of the regime who chose self-exile in Mexico where he was on the night of 20 December and until he received his legislative immunity, was sworn in together with the other members chosen to make up the new CEN.

The goals of the "new" ticket are: the withdrawal of the U.S. soldiers, to demand that the government hold a plebiscite, compensation for those affected by the U.S. invasion, recognition for the social benefits won by the people during the days of the dictatorship, freedom for "political" prisoners, and strict observance of the 1977 treaties.

## Argentina

### Rural Groups Sign 'Fiscal Pact' With Government

*PY2003020491 Buenos Aires TELAM in Spanish 2008 GMT 16 Mar 91*

[Text] Buenos Aires 16 Mar (TELAM)—The government has ordered an immediate end to Central Bank withholding of agricultural export dollars. This decision was adopted after the signing of a "fiscal pact" between the Argentine Rural Society and the Argentine Rural Confederation [CRA]. As a result of this agreement the CRA will not join the strike to be staged by the rural sector next week.

The agricultural leaders who signed the "pact" committed themselves to explain to members of these organizations the convenience of strictly complying with fiscal commitments. The government expects tax collection in the agricultural sector to reach approximately $1.6 billion per year.

Because of this agreement the CRA refused to join the strike sponsored by the Argentine Agrarian Federation [FAA] and Coninagro [Agricultural-Livestock Intercooperative Confederation], scheduled for 18 and 19 March.

Briefing the terms of the agreement, Economy Minister Domingo Cavallo said the end to Central Bank withholding of agricultural export dollars, which is a discriminatory tax on the agricultural sector, was ordered by the president of the Republic, who stated that the agricultural sector is a pillar for the reactivation process.

In a news conference, Cavallo said the increase in rural sector tax collection will be the result of a struggle against tax evasion and not greater tax pressure. This measure is also designed to make things equitable for those who are faithfully paying their taxes.

The two and a half page agreement also establishes a system for the exemption of tax payments on income and agricultural assets for the rural sector of Patagonia and the creation of commissions in charge of drafting proposals aimed at reducing the cost of transport and credit alternatives and at reviewing the toll payment system.

A working team made up of leaders of the rural sectors and the agricultural and public finance under secretaries will also be created. This team will analyze the development of tax collection and propose reforms for the improvement of existing federal and provincial tax and social security systems.

In addition to this, the Bank of the Nation will grant loans of up $20,000 to each farmer and will refinance the agricultural sector's debts.

Cavallo said the decision to increase tax collection will not involve any threat to reinstate Central Bank withholding of agricultural export dollars. He also ruled out any connection between the signing of the agreement and the rural sector strike scheduled for 18 and 19 March.

He said: We proposed this measure before it was decided to stage the strike. We would like them to not hold the strike because it is more difficult to hold talks with those who encourage measures of force. Despite this fact, the government is willing to hold a dialogue. He added that both Coninagro and the FAA can sign the document whenever they think it is convenient.

Agriculture Under Secretary Marcelo Regunaga, in turn, said that the barter of gas-oil for wheat and the reestablishment of advance sales for agricultural products is being analyzed.

The signing of the "fiscal pact" took place on the fifth floor of the Economy Ministry. The ceremony was attended by Cavallo, Regunaga, and Eduardo Zavalia and Arturo Navarro, Argentine Rural Society and CRA chairmen, respectively.

### Two Agricultural Organizations Begin Strike

*PY1903011091 Buenos Aires BUENOS AIRES HERALD in English 18 Mar 91 p 7*

[Text] (NA-DYN)—Two of the four agricultural and livestock producers' organizations start today a 48-hour strike demanding the reduction of taxes on the sector, the elimination of export duties and better conditions for their activity.

The strike—the first from this sector to confront the government of Carlos Menem—will bring less livestock and other products to the Liniers distribution centre.

The Agricultural Federation FAA [Argentine Agrarian Federation] and Coninagro [Agricultural-Livestock Intercooperative Confederation] decided to strike after aborted negotiations with the government in which Economy Ministry authorities tried to reach an agreement by which export duties would be taken off the producers' shoulders in exchange for tougher taxes.

After the failure of negotiations, Economy Minister Domingo Cavallo warned that he would treat this protest in the same severe way as he did with the wildcat rail strike.

The Argentine Rural Society (SRA), which gathers the biggest farming producers, decided not to join in the protest and continue negotiating with the government. SRA and [Argentine] Rural Confederations (CRA) representatives signed a preliminary document with Cavallo expressing their will to search a solution taking as a basis the government offer to wipe out export duties.

Recently appointed Agriculture, Livestock and Fishing Undersecretary Marcelo Regunaga meanwhile announced that he would start a round of negotiations today with representatives of all the organizations in the sector to discuss the possibility of "alternative lines of credit" to be granted by Banco Nacion (National Bank).

## Brazil

### Rezek Wants UNSC Permanent Member Status

*PY2003022091 Madrid EFE in Spanish 2239 GMT 19 Mar 91*

[Text] Brasilia, 19 Mar (EFE)—Brazilian Foreign Minister Francisco Rezek said today that his country aspires to become a permanent member of the UN Security Council [UNSC] together with the United States, the PRC, France, the USSR, and the United Kingdom.

According to Rezek, this is the Brazilian foreign policy goal for this year, without neglecting negotiations with the United States on the transfer of high technology. Rezek asserted: "We are going to have high technology as no other country."

The foreign minister added that Brazil favors a revision of the UN rules; the Security Council is made up of five permanent members with a right to veto and 10 regional representatives who are elected every two years. Rezek added that the future capacity of the United Nations to solve conflicts is subject to this reorganization.

Rezek noted that first, Brazil will propose becoming a permanent member without a right to veto.

Brazil, with 8,511,965 square km of territory, has 153 million inhabitants.

### Rezek Rejects Role in Regional Defense Treaty

*PY2003031691 Madrid EFE in Spanish 2258 GMT 19 Mar 91*

[Text] Brasilia, 19 Mar (EFE)—Brazilian Foreign Minister Francisco Rezek said today that Brazil has rejected an Argentine proposal providing for military intervention by Southern Cone countries to repress possible coups in one or another country.

In an interview published today by JORNAL DA TARDE, the Brazilian foreign minister said the project for a mutual regional defense treaty, proposed by Argentine Foreign Minister Guido di Tella to the Southern Cone governments in early March, was "unnecessary." Rezek, 46, commented that he was against the initiative due to the strength of the democratic process in the area and due to Argentina's own response to the military regimes of the past two decades.

According to the Argentine Government proposal, the Armed Forces of the Southern Cone countries—Argentina, Chile, Brazil, Uruguay, and Paraguay—would defend each other in the event of a possible coup. In various periods of this century, the five Southern Cone countries have been ruled by military regimes established following a coup.

Rezek also deemed as "unnecessary" a regional defense treaty to face countries of other parts of the world; he added that "nobody is thinking of attacking Latin America."

Last November Brazil and Argentina signed a declaration in which they agreed not to produce an atomic bomb, which was a goal set separately in the past decade by the military regimes of the two countries. Currently, the two countries are jointly negotiating with the International Atomic Energy Agency a document for mutual monitoring and safety, which, according to Rezek, is the first of its kind in the world.

### Collor's First Year in Government Evaluated

*PY2003000391 Sao Paulo FOLHA DE SAO PAULO in Portuguese 15 Mar 91 Special Supplement p 1*

[By senior editor Alon Feuerwerker]

[Excerpt] After one year, there is little—if anything at all—left of the original Collor who climbed the ramp [to the Planalto Palace] on 15 March 1990. Inflation resisted the first (and not the only) bullet. The elites that were previously despised are now being courted in an attempt to support the new version of the social pact. Politicians, once treated as pariahs, have now become the president's object of desire. Even marketing [preceding word in English] t-shirts, promoting sports, and walking down the ramp give the impression of empty moves, defeated by repetition and by the suspicion that, one year later, the images walk one way while the reality of the country walks the other way.

In the end, though, is the country actually worse off than it was a year ago?

Did Collor not reduce inflation from 100 percent to about 20 percent? Yes, but inflation persists and Brazil is submerged in a recession. Did Collor not remove a substantial number of public servants? Yes, but a much smaller number than he promised. Did Collor not balance the federal government's accounts? Yes, but only temporarily.

In Collor's country, meanwhile, facts and arguments are worth less than images and reports. The president is his own victim. He could be accused of what the new Consumer's Defense Code terms "deceitful publicity." He promised what he did not want to promise or what he could not comply with. Some would say that he has not done very much, but politicians are like that anyway. Was it not Fernando Collor de Mello who portrayed himself as an anti-politician?

No matter how good or brilliant the advertisement, it does not stand comparison with the product. No advertisement can survive the disappointment of the consumer who bought it. The Datafolha poll published in the back cover of this supplement is negative regarding the president of the Republic. It indicates that the number of people who evaluate his administration as bad or very bad has increased to 34 percent (40 percent evaluate it as fair and 23 percent evaluate it as excellent). Concerning popularity today, Collor defeats former President Jose Sarney (41 percent of the people consider Collor's administration to be better than Sarney's

administration), but loses to General Joao Baptista Figueiredo (37 percent of the people evaluate Collor's administration as worse than Figueiredo's administration). The figures also demonstrate that pessimism, as well as prices, is on the rise. [passage omitted]

### Workers Disregard Court Ruling, Continue Strike

*PY1903210791 Rio de Janeiro Rede Globo Television in Portuguese 1600 GMT 19 Mar 91*

[Excerpts] The oil workers have decided to continue their strike. They held meetings this morning in several states. They condemned the Superior Labor Court [TST] decision which has described the strike as abusive and ordered their immediate return to work.

In Sao Paulo, three of the four state refineries are totally paralyzed. The 30 percent of the workers who were assigned to maintain the minimum operation and to guarantee the supply of oil have also stopped work. At the Presidente Bernardo refinery in Cubatao, Sao Paulo State, the oil workers will hold another meeting this afternoon to decide whether or not to return to work.

In Minas Gerais, the meeting of oil workers at the Gabriel Mendes refinery has just ended; they decided to return to work this afternoon.

In Rio de Janeiro, the oil workers from the Duque de Caxias refinery decided to continue the strike. They will hold another meeting tomorrow. [passage omitted]

In Porto Alegre, the oil workers also decided to continue the strike. Production is still paralyzed. The strikers also decided to withdraw from the refinery the team of 60 workers who were maintaining the equipment. [passage omitted]

In Parana State, the Araucaria refinery board was expecting the 1,000 workers to return to work today, but the oil workers decided not to obey the TST ruling. No workers entered the industrial plant today, and production was totally paralyzed. The only people working are a team of 35 maintenance workers. The union has reported, however, that there will be no change of shift until 1900 today when a general meeting will be held to assess the situation. They will also decide whether to accept the transfer of fuel stocked in Paranagua. For the time being, Parana State oil workers continue on strike at the refinery.

In Bahia, the Landulfo Alves refinery workers today decided to continue the strike. This morning they suspended the shift change. The shortage of fuel and kitchen gas is becoming worse in several states. In Florianopolis and in Porto Alegre, many gas stations have no gasoline. The town of Uruguaiana, southern Rio Grande do Sul, has been out of kitchen gas for four days. [passage omitted]

Sailors from the national fleet who yesterday also joined the strike have reported that 19 tankers are paralyzed. The Fronape [National Tanker Fleet] has reported that of the 69 ships of the fleet, only two are not operating because of the strike.

### Sao Paulo Governor, Economy Minister Sign Accord

*PY1903171691 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 19 Mar 91*

[Text] Economy Minister Zelia Cardoso de Mello and Sao Paulo Governor Luiz Antonio Fleury Filho have signed an agreement to roll over the state debt.

The Sao Paulo governor has promised to reduce bond stocks by purchasing 16 percent of the debt bonds this year, 17 percent in 1992 and 1993, and 18 percent in 1994. He also promised to gradually replace public capital in the state banks of Banespa, Nossa Caixa, and Nosso Banco with private capital.

The Sao Paulo Government will not issue any more public debt bonds until 1994, except for debt rollovers or court-adjudicated debts.

The economy minister termed the agreement a step forward toward an understanding. She feels it will be impossible to achieve this understanding if mistrust in the government persists.

[Begin Cardoso recording] What we intend to do this year is to work harder and to increase cooperation. It is a mistake to believe that the current crisis is a crisis of the Federal Government, that the difficulties stem from the Federal Government. The crisis stems from society, and therefore the entire society, all economic agents, and all leaders are responsible, and we must all try to overcome it. For us, understanding is one possible solution, as is cooperation. [end recording]

The economy minister added that the agreement signed between the Federal Government and the Sao Paulo state government is good for both parties and that it will help calm the financial market.

### Correction to Economy Minister Cardoso Interview

*PY1903192291*

The following correction pertains to the item headlined "Economy Minister Cardoso Interviewed 14 Mar," published in the 19 March Latin America DAILY REPORT, pages 23-25:

Page 23, column two, paragraph eight, last sentence, make read: the position to examine the government plan in depth. [new graf]

[O ESTADO] What does the government see as its priority? [new graf]

[Cardoso] We have to understand what the project is all about. It is a national reconstruction project. This is to say: What kind of country do we want Brazil to be? How do we want its state, industry, education, health service, culture, and people to be? It is a.... (rewording)

Page 24, column one, fifth full paragraph, first sentence, make read: by owners of idle land. It depends.... (correcting adjective)

Page 24, column two, fourth full paragraph, fourth sentence, make read: Prices were spiralling, and profit margins were increasing at the rate.... (rewording)

Same paragraph, sentence seven, make read: We moved from a situation without prospects—where hyperinflation was threatening to destroy everyone's assets, where investments were.... (rewording)

Page 24, column two, sixth full paragraph, first sentence, make read: [Cardoso] I am not too worried about inflation because.... (rewording)

## Chile

### Chamber of Deputies President Evaluates Transition

*PY2003002091 Madrid EFE in Spanish 0313 GMT 19 Mar 91*

[Text] Santiago, 18 Mar (EFE)—Chamber of Deputies President Jose Antonio Viera Gallo admitted today that Armed Forces members have made an effort thus far to adapt to the quick change from a system of absolute power to a democratic regime, and perhaps history will judge the true magnitude of this effort.

Viera Gallo made this comment in a news conference with foreign reporters while evaluating the first year of the civilian government that was installed on 11 March 1990 after 16 and a half years of the military regime headed by General Augusto Pinochet.

Viera Gallo, who is also an outstanding socialist leader, recalled that the government program of the coalition of 17 political parties that supported the candidacy of Chilean President Patricio Aylwin had as its national defense objective maintaining the best relations with military institutions.

He said: It is obvious that the Chilean transition process—which went from a situation of absolute military power to a situation where Armed Forces members had to adjust to a democratic regime with a president and a freely elected congress—has not been an easy change. It is a complex transition process in which successive adjustments must take place.

He added: These adjustments can go through critical times such as the search for the truth about human rights violations during the previous military regime.

Viera Gallo believes that, in a similar situation, it would be impossible not to have tension and disagreements between the leaders who held power under the military regime and the ones who have power now.

He said: "I believe that so far, members of the Chilean Armed Forces have made an effort to adapt themselves to a quick change from one situation to another, and perhaps history will judge the true magnitude of this effort."

Viera Gallo said that in the first year of transition, significant progress was made on all of the objectives in the government program set by the Coalition of Political Parties for Democracy.

Among those objectives he mentioned the political reforms for full democratization of the country, the great task of national reconciliation, economic growth with an adequate redistribution of income, and Chile's readmission into the international community.

Viera Gallo added that in these fields, the balance is positive within the limitations of current circumstances.

### Aylwin Regrets RN's Refusal To Discuss Reform

*PY1903132691 Santiago Radio Nacional de Chile Network in Spanish 2300 GMT 18 Mar 91*

[Excerpt] President Patricio Aylwin has expressed regret over the fact that the National Renewal Party [RN] has not accepted the government's invitation to all political parties represented in Congress to discuss draft constitutional amendments and other bills aimed at reforming the judicial branch.

This was stated by Aywlin in a letter to RN Chairman Andres Allamand. The RN has decided not to participate in technical and parliamentarian teams in view of the criticism that has been made against the Chilean judicial branch.

Aylwin stated that he does not believe that the different points of view on the subject should represent an obstacle to reaching a consensus over the reforms required by the judicial system.

Aylwin added that the RN's decision not to cooperate in this task will not hinder efforts toward this goal, which is in the nation's best interest. [passage omitted]

### Aylwin Discusses Violence With Political Leaders

*PY2003023491 Santiago Radio Cooperativa Network in Spanish 2300 GMT 19 Mar 91*

[Text] Acting Interior Minister Belisario Velasco has delivered a summary of a meeting between President Patricio Aylwin and the presidents of the seven political parties that are represented in Congress, including the UDI [Independent Democratic Union] and the National Renewal Party. Velasco talked to reporters at La Moneda Palace. He said President Patricio Aylwin talked about an issue that concerns everyone—crime and violence.

[Begin Velasco recording] They held a very cordial, constructive meeting. The presidents of all political parties that are represented in Congress were present. President Aylwin offered a detailed report on crime, violence, and terrorism in the country. The president expressed his government's willingness to pursue all

proposals to contain these excesses and pointed out that it was necessary to act together, avoiding sterile discussions. The president also noted that it would be convenient for legislators to create a committee to study measures to help the police and make any suggestions that are deemed necessary to successfully fight violence and terrorism. [end recording]

Belisario Velasco said he will write a memorandum summarizing all the ideas that were set forth in this first meeting between the president and political leaders. A copy of the memorandum will be handed to each political party before a second meeting is called to analyze concrete proposals—leaving unrealistic initiatives aside—on finding new ways to fight all types of crime affecting the country at this time.

### 'Prudence' Urged in Publishing Informant's Story

*PY1903130091 Santiago Radio Nacional de Chile Network in Spanish 2300 GMT 19 Mar 91*

[Text] The government has urged the media to use prudence in publishing information that may affect the safety of people who contributed to clarifying the truth regarding human rights violations.

This appeal was made by Minister Enrique Correa [secretary general of government], who was asked about the confiscation of three magazines containing information on this subject from Luz Arce, former Dina [National Intelligence Directorate] agent.

[Begin Correa recording] That is right. The measure was implemented on a judge's order. It is a judicial order which falls within the law, as the justice minister has already explained. I am quoting his comments on this issue. Moreover, I believe we should urge the media to act prudently to avoid publishing information that may affect the safety of people who have cooperated with us, with the government, with the state, with the courts, in clarifying the truth regarding human rights violations, which we see as a very significant national objective in the quest for Chile's definite reconciliation. [end recording]

At La Moneda, where he made this statement, Minister Correa was also asked about persistent rumors about the alleged resignation of Air Force Commander General Fernando Matthei.

Minister Correa said that, as a rule, he does not respond to rumors, especially when they have to do with such a delicate matter as this one. At that moment, at exactly 1715, he said he had no information on this issue.

### Ministry To Open Trade Office in Saudi Arabia

*PY1903134091 Santiago Radio Cooperativa Network in Spanish 2300 GMT 18 Mar 91*

[Text] The Foreign Ministry International Economic Relations Department, Pro-Chile, has reported that Chile will reopen its commercial office in Saudi Arabia. This initiative is in response to the continuing unanticipated changes at the international level and especially to the new trade situation prevailing after the war in the Middle East.

## Colombia

### Extraditables Threaten 'To Execute' Hostages

*PA1903143191 Paris AFP in Spanish 0905 GMT 19 Mar 91*

[Text] Bogota, 18 Mar (AFP)—The clandestine group the Extraditables—the armed wing of the Medellin drug cartel—announced on Monday, 18 March, that it will not release the journalists it is holding as hostages and threatened to "execute" them if the public force continues to be responsible for the disappearances of their comrades.

In a nine-point communique sent to the Medellin press, the group also warned it was declaring itself on a state of alert and that "for each comrade tortured or missing, we will detonate 1,000-kg bombs in Colombia's major cities."

It added that the kidnappings of journalists Francisco Santos, an EL TIEMPO editor, and Maruja Pachon, director of the state-owned Focine [Cinema Financial Fund], who have been held captive for six and four months, respectively, were not carried out to pressure the National Constitutent Assembly to discuss the topic of extradition of Colombian drug traffickers.

The Extraditables' message, headed by the well-known slogan: "We prefer a tomb in Colombia to a jail in the United States," stated:

"1. The retention of the journalists was never carried out to pressure the National Constituent Assembly, since that body had not been elected when these actions happened.

"2. In our previous communiques, we stated that the chief motive of our struggle was no longer the extradition, but the violation of human rights and the execution and massacre of our comrades.

"3. We are not sought to be extradited, but to be murdered.

"4. We will not release Francisco Santos and Maruja Pachon so long as the disappearances of our comrades continue, and if this continues to happen we will execute them.

"5. We declare ourselves on a state of alert, and for every tortured and missing comrade we will detonate 1,000-kg bombs in Colombia's major cities.

"6. We are publicly denouncing the alliance between the (police's) elite corps and the Administrative Department

of Security (DAS) with paramilitary groups, which conduct joint operations and together put up roadblocks in the areas where they operate.

"7. The DAS and elite corps protect the paramilitary groups. In addition, they supply these groups with uniforms to carry out lootings and murders in their zones of operation.

"8. The best proof of the above is the paramilitary groups' communiques, in which they announced their alliance with DAS, and the fact that the paramilitary publicly boast of having police helicopters and units at their disposal.

"9. We claim responsibility for the murder of the chief paramilitary leaders in Berrio Port and Caucasia (towns located in Antioquia Deparment, whose capital city is Medellin) carried out a few days ago."

It is worth noting that it was reported on Monday that the National Constituent Assembly is planning to ask, during the course of this week, for the journalists' release as a condition prior to discussing the topic of extradition.

### Minister Views Communique

*PA1903215491 Bogota Inravision Television Cadena 2 in Spanish 1730 GMT 19 Mar 91*

[Report by Ricardo Canon]

[Text] Government Minister Humberto de la Calle Lombana today expressed doubt concerning the authenticity of the most recent communique issued by the Extraditables. He pointed out that even if this document were legitimate, the conditions it sets forth are contradictory, because respect for human rights cannot be based on the violation of them, and much less, on threats of carrying out new terrorist attacks. In other words, he added, given that the Extraditables are stating as a condition or demanding that the government guarantee their safety, they must show goodwill by releasing the people they kidnapped:

[Begin De la Calle recording] I really do not believe it is reasonable for them to continue to hold people, to violate their freedom, and to threaten to plant explosives aimed at killing innocent people who are completely unrelated to the conflict, with the pretext of defending such rights.

As the attorney general has said on several occasions, he is willing to investigate all specific charges filed on this matter. Therefore, no link exists between the government's stance and a systematic campaign to violate human rights. Quite the contrary, the government reaffirms that it is fighting against the violation of such rights by public authorities. [end recording]

Constitutent Assembly member Antonio Navarro Wolff also commented on this issue this morning:

[Begin Navarro recording] The defense of human rights is a basic and essential principle that must be defended. We cannot allow the return of terror, as was experienced in 1990 when bombs exploded in the cities. [end recording]

### Two Belgian Terrorists Captured by Authorities

*PA1903213591 Hamburg DPA in Spanish 2058 GMT 19 Mar 91*

[Text] Bogota, 19 Mar (DPA)—It was officially reported today that Colombian authorities in the Caribbean city of Barranquilla have captured alleged Belgian terrorists Marc Van Dam and Phillipe Lacroix. Van Dam and Lacroix are wanted in their country for participating in the 1989 kidnapping of former Belgian Prime Minister Paul Vanden Boeynants.

General Miguel Maza, chief of the Administrative Department of Security, said that the foreigners were captured on 15 March while preparing for terrorist actions against high-ranking Colombian Government officials.

Maza said that the criminals reportedly entered Colombia through the border with Brazil. It is believed that they were hired by the Medellin cartel, the most powerful drug trafficking gang in the cocaine world, to carry out several terrorist actions throughout the country.

Belgian authorities recently alerted the Latin American governments to the presence of the terrorists after it was learned that they were involved in Boeynants' kidnapping.

Maza told reporters that at the time of their capture, Van Dam and Lacroix tried to bribe the policemen with approximately $168,000.

It was learned that the foreigners will be sent to Brussels on 21 March.

## Paraguay

### Investigations Into Illegal Airstrips Ordered

*PY1903161091 Asuncion NOTICIAS in Spanish 19 Mar 91 pp 8, 9*

[Text] On 18 March President Andres Rodriguez gave Finance Minister Juan Jose Diaz Perez, Defense Minister Juan Angel Souto, and Industry and Commerce Minister Antonio Zuccolillo 15 days to submit a detailed report on clandestine airstrips and warehouses containing illegal goods in Alto Parana and Amambay Departments.

An official communique released by the Information Directorate of the Presidency stresses that the chief of state, "concerned about charges published in the press about commercial activities that do not have a very clear legal basis, has adopted decisions to fully investigate and clarify these reports."

The president met with the three ministers on 18 March to instruct them to obtain all the necessary data for a final report.

The Defense Ministry's task will be carried out with the participation of the Civil Aeronautics Directorate, and all the existing airstrips in Alto Parana and Amambay Departments will be canvassed. The communique indicates that "special emphasis will be placed on the airstrips belonging to Messrs. Carlos Barreto Sarubbi, Agustin Arunaga, and Agustin Matiauda, on which the media have reported."

It adds that in the specific case of these three airstrips, the report will detail location, dimensions, owners names, and whether the strip is registered with the Civil Aeronautics Directorate.

The Finance Ministry will report on the goods being imported, their commercialization through the tourism method, whether the introduction into the country of these goods was appropriately controlled, and what taxes were collected, if these obligations were indeed taken care of.

Rodriguez has also ordered the Finance Ministry to give details on how much of the Ciudad del Este Customs Department monthly collection is accredited to the national budget. As for private warehouses, goods must be checked to see whether they entered the country illegally or if the appropriate taxes were paid.

The Industry and Commerce Ministry will investigate border trade, commercial deals made within the framework of the Tourism Law, and the interaction of activities in the zone to see whether the region's economy is being affected. The ministry will seek information from businessmen and authorities in the zone to accomplish this task.

The president made his decision on 18 March following the series of charges published by the press and an overall reaction calling for an end to the illegal activities. Based on the volume of goods being moved illegally, large-scale tax evasion is presumably taking place in the border regions of Alto Parana and Amambay Departments.

### Health Cooperation Agreement Signed With Brazil

*PY1903175491 Asuncion ABC COLOR in Spanish 19 Mar 91 p 17*

[Summary] In Foz do Iguacu, Brazil, the Paraguayan and Brazilian health ministers, Cynthia Prieto and Alceni Guerra, respectively, have signed a cooperation agreement on the exchange of technology, quality control measures for medicines, and the supply of biological products to eliminate rabies. They also discussed measures to prevent cholera.

### Agrarian Reform Head Receives Death Threats

*PY1903224991 Asuncion ABC COLOR in Spanish 19 Mar 91 p 12*

[Excerpt] Basilio Nikiphoroff, president of the Agrarian Reform Institute [IBR], revealed on 18 March that he has received death threats on various occasions and that they have recently been on the increase, especially since he submitted five dossiers to the state attorney on a series of irregularities that occurred during previous administrations. He also indicated that he has asked the interior minister and chief of police for guarantees.

Nikiphoroff said that he does not know where the death threats are coming from. He said that when he became the IBR president he "acquired" several enemies because he carried out 50 internal investigations and fired many people because of alleged irregularities, among other things.

He said that he does not know if the threats are coming from fired employees or from land owners. He indicated that perhaps certain situations are being exploited, or they might be threats with absolutely no basis.

He added: "The threats are made on behalf of third parties, via telephone calls to my house." When asked to repeat some of the threats made to the IBR president, he replied that he was unable to do so because they are phrased in somewhat unholy terms. [passage omitted]

### National Development Bank President Named

*PY1903184091 Asuncion PATRIA in Spanish 19 Mar 91 p 8*

[Excerpt] [passage omitted] In a session on 18 March, one of its lengthier ones (it lasted for approximately 45 minutes), the Council of State approved the designation of Rolando Eligio Bogado Martinez as president of the National Development Bank. Bogado Martinez replaces Jose Enrique Paez, who was given another post. [passage omitted]

## Peru

### Bomb Victim Links Interior Ministry to Attack

*PY1903125091 Madrid EFE in Spanish 0308 GMT 19 Mar 91*

[Excerpt] Lima 18 Mar (EFE)—Lawyer Augusto Zuniga of the International Human Rights Commission [organization name as received] today blamed "a group linked to the Interior Ministry" for the letter bomb attack in which he was injured three days ago.

Zuniga, who has defended several individuals involved in cases of excesses committed by security forces, said he had informed the courts and the Interior Ministry that his life was in danger.

"It is obvious that the people responsible for the attack are linked to the Interior Ministry," Zuniga said at the hospital in the presence of Prime Minister Carlos Torres y Torres Lara.

Torres said that he had received "confidential information" from Zuniga which will be investigated by a special commission created by the government of President Alberto Fujimori. [passage omitted]

### Government Authorizes Free Trade in Gold

*PY2003123491 Lima RTP Television Network in Spanish 0100 GMT 20 Mar 91*

[Text] Energy and Mines Minister Fernando Sanchez Albavera announced that the government has approved a decree authorizing the free trade in gold. He also said that foreign oil investors will be given special advantages and that fuel prices will not increase. The minister made these statements before departing for Chile where he will meet his Chilean counterpart.

[Begin Sanchez recording] The government has approved a decree declaring free trade in gold. The Energy and Mines Ministry today forwarded the decree to the official gazette which will publish it tomorrow. The decree guarantees free domestic and foreign trade in gold. This is an important step for the development of gold mining. The gold trade will be totally tax exempt; that is, gold exports—and domestic gold trade—will not be taxed. This is very important for the small miners who are the main gold producers. It will also stop gold smuggling which used to be a normal practice in the past given the restrictions imposed on the gold trade as result of a state monopoly. [end recording]

### Tax on Imported Agriculture, Milk Goods Announced

*PY2003032491 Lima RTP Television Network in Spanish 0100 GMT 20 Mar 91*

[Summary] Agriculture Minister Enrique Rossl Link has announced that a surtax will be charged on imported agriculture products to avoid disloyal competition with Peruvian products. This surtax will also be applied to milk products.

### PRC Group, Politician Departs for China

*PY1603150891 Lima RTP Television Network in Spanish 1100 GMT 14 Mar 91*

[Text] United Left President Henry Pease departed for the PRC early this morning. Pease is accompanying a PRC delegation that stayed in Lima for one week discussing investment in the mining sector. This is what the delegation leader said at the airport:

[Begin delegation leader recording in Chinese with passage-by-passage translation into Spanish] The Hunan Province Government delegation was warmly received by the Peruvian Government and people. They were received by the president of the Republic and by the presidents or vice presidents of the Senate and Chamber of Deputies. The Peruvian people gave them a very warm reception. The delegate wants to take advantage of the opportunity to speak before Peruvian television to express his gratitude to the president of the Republic and the Peruvian people.

The delegation met with the mines and energy minister. They also visited some industrial installations. They increased their mutual understanding. They talked about points of common interest. The two parties agreed that there are excellent possibilities for the development of bilateral cooperation. They wish for the visit to mark the beginning of excellent, cooperative relations between the two parties and for concrete results to be achieved in the not to distant future. They want to thank Peruvian television for the opportunity to address the Peruvian people.

[Pease] It is an invitation from the PRC Government to visit the PRC and become acquainted with recent changes and reforms. My visit will last 10 days. Haya de la Torre, who accompanied me in my presidential bid and who is now an executive member of the United Left, is accompanying me. [end recording]

## Uruguay

### Lacalle Reviews 1st Year Performance for Congress

*PY1803025891 Montevideo Radio El Espectador Network in Spanish 1100 GMT 16 Mar 91*

[Text] President Luis Alberto Lacalle, in evaluating his first year as head of the government, has told a joint session of Congress that the law clarifying the way pensions are to be paid is the most pressing government problem at this time.

The president made special reference to the problem of social security. Lacalle said that if Congress does not reform the present social security system, all other efforts, such as the fiscal adjustment program, will be in vain. Lacalle noted the Social Security Bank has a $90 million deficit per year that has to be covered by general revenues. Lacalle said this deficit will double if the present bill clarifying payments is approved.

The president asked for congressional support for a law reforming the tax system that the executive branch will send to Congress in the next few days. Lacalle also asked Congress to support his public enterprises reform program.

President Luis Alberto Lacalle began his speech by saying that his presence there was not only convenient, but necessary. Lacalle said he could say that the country was in order at the end of his first year in power. The president then listed some of his government's accomplishments. He said the country's revenues increased by 9 percent while public spending dropped by 10 percent.

Lacalle recognized that the real value of public and private workers' earnings dropped by 9 and 6 percent, respectively, during 1990.

Lacalle gave special attention to regional integration. The president said Uruguay must change old structures when joining the Southern Cone common market [Mercosur]. According to Lacalle, entrepreneurs have yet to realize the full potential for transformation of a Mercosur, which provides a consumer market 50 times larger than what we have now. Lacalle warned against insecurity and stressed that entrepreneurs, workers, and leaders must change their frame of mind to take advantage of this tremendous opportunity.

Lacalle said the imminent creation of the Mercosur must be an occasion and opportunity for self-criticism, for reviewing old habits, modifying traditions, and transforming old structures.

He mentioned the word coincidence [reference to multiparty agreement to support government initiatives in Congress] only once during his speech. Political circles were expecting a reformulation of the agreement between the National and Colorado parties. The anticipation was fueled by a series of political meetings that President Lacalle held with leaders of the opposition Colorado Party, which is a member of the National Coincidence pact. Lacalle said that he was not satisfied with a government system that includes three Colorado Party ministers in the cabinet and does not find enough support in Congress.

### Government Displeased by Retired General's Remarks

*PY1903223091 Montevideo BUSQUEDA in Spanish 14 Mar 91 p 48*

[Excerpt] The statements by former Defense Minister Hugo Medina on the transition to democracy and on human rights disturbed the political sector last week, causing dissatisfaction within the government because he "brought back issues from the past." At least some sectors of the Armed Forces were "surprised" by his statements.

An institution that gave legal advice to the relatives of missing people, some officers who were dismissed during the military government, and leftist sectors also harshly criticized the former minister's statements.

Reliable sources have told BUSQUEDA that the matter was informally addressed by President Luis Alberto Lacalle, Defense Minister Mariano Brito, and the 16 Army generals during a luncheon at the Defense Ministry on 8 March.

The statements that Medina made to BUSQUEDA during an interview on 7 March caused the government such "deep dissatisfaction and displeasure" that the president "seriously" considered the possibility of enforcing a disciplinary measure for alleged disobedience. This possibility was ruled out because the general had just completed the four-year term during which he was supposed to make no political comments.

The president revealed his mood on 11 March in Artigas when—without mentioning Medina's name—he addressed the military issue.

President Lacalle said: "After the transition period represented by the previous administration, this government has the duty of strengthening achievements and avoiding a return to the past, which is politically and legally closed," adding that he will not "engage in controversies or reopen wounds that Uruguayans healed through the people's will in the ballot boxes."

Army Commander in Chief Guillermo de Nava on 13 March said: "All of us should contribute to the country's stability," adding that "the higher the responsibilities of our rank or the higher the posts that we held, the greater our responsibilities."

He added: "This is the attitude all of us should adopt, being aware that we should ponder our words for the sake of the fatherland and the state."

He noted that Medina—whom he referred to as "a respectable and old Army soldier," in his capacity as retired general—"is by no means the Army spokesman." He said that such a role can be played only by the Army chief, the defense minister, and the president. [passage omitted]

## Guyana

### Carter Center Team To Observe Voter Registration

*FL1903183091 Bridgetown CANA in English 1657 GMT 19 Mar 91*

[Text] Georgetown, Guyana, March 19, CANA—Former United States President Jimmy Carter is sending a team to Guyana next week to observe voter registration. Carter's announcement came amidst complaints from opposition parties here that the registration was dogged by problems.

Some parties had asked Carter to send a team to observe the registration. An advance group from the Carter Centre is scheduled to arrive in Georgetown next Monday, while the principal group, led by Belize Prime Minister George Price, is expected the following week.

President Carter wrote President Desmond Hoyte Saturday saying that he had received varying reports of the progress of the registration, and that he considered the visit an "important fact-finding mission."

The current registration is aimed at compiling a clean voters' list for the coming general elections after one that contained several mistakes.

### Petroleum Products Decontrolled; Prices Soar

*FL2003010591 Bridgetown CANA in English*
*2123 GMT 19 Mar 91*

[Text] Georgetown, Guyana, March 19, CANA—Prices have risen sharply in Guyana following government's announcement that it was decontrolling petroleum products. Gasolene and dieselene prices soared to more than G [Guyana] 200 dollars per gallon as private oil companies and filling stations began setting their own prices for the products.

The Ministry of Trade announced that because of the newly-introduced floating exchange rate, it is "no longer practical, fair, or reasonable for the government to continue to apply a uniform control price for petroleum products."

"Given the floating basis for the official rate of exchange which is adjusted every week, and that fuel shipments arrive in Guyana at different times for different companies, it would not be possible to maintain the same price for all importing companies."

The ministry said that government would, however, continue to subsidise the retail price. Without this subsidy, the current retail price for kerosene would be around G 110 dollars at current acquisition prices, the ministry calculated. Petroleum prices are influenced by the acquisition cost, mark-ups put on by importers and dealers, consumption tax, and the official exchange rate.

"The relatively high prices which currently prevail have already caused a reduction in the demand for petroleum products," the ministry said. "Consequently, it would appear to be little incentive for oil companies to make greater profits by rising prices."

However, commuters appear to have been hit the hardest by the decontrolling and the subsequent hike in fuel prices. Some bus fares for routes in and outside of the capital, Georgetown, have increase by at least 30 per cent. Some commuters have resorted to walking to work. Some workplaces have been affected by poor worker turnout.

### Business Sector Welcomes 'Export Credit Scheme'

*FL2003023091 Bridgetown CANA in English*
*2145 GMT 19 Mar 91*

[Text] Georgetown, Guyana, March 19, CANA—Guyana's business sector has welcomed the setting up of a U.S. 2 million dollar export credit scheme which they say is long overdue. Kim Kissoon, president of the Guyana Manufacturers Association (GMA), said the scheme was "the beginning of a good idea."

The money will be used to assist qualified non-traditional exporters to obtain credit. The aim is to encourage exporters wishing to increase the volume of business done on credit with overseas buyers.

The Guyana Central Bank, the Inter-American Development Bank (IDB), and the Venezuelan Trust Fund, are providing the U.S. 2 million dollar line of credit. Manufacturers had been calling for such a scheme for some time. Kisson said the GMA was asking the Caribbean Development Bank (CDB) to set up a similar facility for Caricom [Caribbean Common Market] exports.

## Suriname

### OAS' Baena Soares To Meet With President Kraag

*FL1503234291 Bridgetown CANA in English*
*1945 GMT 15 Mar 91*

[Text] Washington, March 15, Cana—Secretary General Joao Clemente Baena Soares of the Organisation of American States (OAS) will pay an official visit to Suriname next week for pre-election talks with President Johannes S.P. Kraag and other government officials, it was officially announced here Friday. The trip is at the invitation of the Surinamese Government, an OAS statement said.

Ambassador Baena Soares will arrive in the Surinamese capital, Paramaribo, on Monday. The length of the visit was not given. During his stay, he will hold meetings "in the context of the OAS observation of the electoral process in that country," the statement said.

Last January, the government of Suriname invited the OAS secretary general to support the Surinamese democratic process in the framework of the general elections to be held on May 25, 1991.

The first group of the OAS mission of observers is already in Suriname, where it has been observing the public inspection of the voters lists.